

Automobiles

Monthly wholesale
volume analysis

INDIA

Automobiles (wholesale)

Domestic despatches curtailed on semi-conductor issues

Two-wheeler (2W): Domestic growth remains sluggish as exports provide cushion

- ▶ **Hero MotoCorp (Hero)** has reported sales of ~454k units, flat MoM in Aug'21. Motorcycle segment shrunk 1% MoM while scooter sales grew 10% MoM.
- ▶ **TVS Motors (TVSM)** has reported 4% MoM growth to ~291k units. Domestic sales rose 3% MoM to ~181k units while exports grew 7% MoM to ~110k units. On segmental level, 2W sales grew 4% MoM to ~274k units and 3W sales were up 2% to ~16.4k units led by exports. On a sub-segment basis, motorcycles and scooters grew -4% / 17% MoM to ~134k / 87k units, respectively, while mopeds grew 8% to ~53.5k units.
- ▶ **Bajaj Auto (BAL)** has reported marginal 1% MoM growth to ~373k units. Domestic sales surged 3% MoM to ~172.6k units, while exports declined 1% MoM to 201k units. On a segment level, motorcycle sales grew 2% MoM (domestic: 1%, exports: 3%) to ~338k units while 3Ws declined 9% MoM at ~35k units.
- ▶ **Royal Enfield** has reported 4% MoM growth to ~45.9k units with new product launches (e.g. *Meteor*) aiding volume growth. Motorcycle sales in 350cc segment were up ~3% MoM to ~38.6k units while >350cc segment rose 12.4% to ~7.3k units. Exports surged 43% MoM to 6.9k units.
- ▶ **Honda Motorcycles (HMSI)** reported domestic sales of ~401k units, up 18% MoM. However, exports witnessed a decline of 34% MoM at ~29k units.

Passenger vehicles (PVs): Inventory build-up on festive demand expectations

- ▶ **Maruti Suzuki (Maruti)** despatches fell 20% MoM to ~131k units due to constrained production on chip shortage issues (domestic sales down 22% MoM to ~110k units). Mini-vehicle segment grew 4% MoM at ~20.5k units while compact segment grew 35% MoM to ~45.6k units. UV segment despatches fell 25% MoM at ~24.4k units. Despatches to Toyota also fell (down 9% MoM) at 4.3k units. Domestic sales (ex-commercial and Toyota despatches) were down 23% MoM at ~103k units. LCV sales were down 7% MoM to 2.6k units.
- ▶ **Mahindra & Mahindra's (M&M)** PV volumes reported 24% MoM drop to ~16k units with UV segment reporting a similar drop of 24% to ~15.8k units. Decline in UV segment growth was largely attributed to chip shortages even as demand remained robust. Key models (e.g. *Thar*) remain on extended waiting periods while we believe the newly launched *XUV700* is likely to aid volume growth in H2FY22.
- ▶ **Tata Motors'** volumes saw 7% MoM decline at ~28k units, as it also witnessed moderate supply chain pressures. In our view, the new launch of *Tigor EV* is likely to improve EV sales while upcoming launch of SUV *Punch* could further aid demand growth.

Our view: OEM's pre-festive channel filling has been adequate across categories (I-Sec est.: 4-6 weeks) except high growth segments (e.g. SUVs) in anticipation of strong retail demand uptick in festive season. OEMs are stoking consumer sentiment with new launches (e.g. *XUV700*, *Punch*), however, increasing price hikes (~7-10% across segments since Jan'21), rising fuel costs and possible implementation of new bumper-to-bumper insurance regulation could limit consumer wallet spends. Faster vaccination could help improve consumer sentiment revival across both urban and rural markets in H2FY22.

Research Analysts:

Nishant Vass

nishant.vass@icicisecurities.com

+91 22 6637 7260

Pratit Vajani

pratit.vajani@icicisecurities.com

+91 22 6637 7161

- **Hyundai** posted 2% MoM drop in domestic volumes at ~47k units while exports grew ~79% MoM to ~12.2k units
- **Toyota's** domestic volumes fell 3% MoM to 12.8k units. The surge in sales is likely driven by the success of Suzuki supplied models (*Urban Cruiser, Glanza*).
- **Kia Motors** has reported 12% MoM growth in domestic sales to ~16.8k units. The recently-launched compact SUV *Sonet* continues to drive sales momentum at 7.7k units in Aug'21; however, new competition in SUV space continues to limit sales increase.
- **MG Motors'** domestic sales rose 2% MoM to ~4.3k units.
- **Honda Cars** reported 85% MoM jump in domestic sales at ~11.2k units and 146% jump in exports at 2.26k units likely from the newly-launched *Amaze*.

CVs: M&HCVs witness sequential drop while LCVs remain strong; rural demand continues to support tractors on better monsoon

- **Ashok Leyland**'s volumes grew 62% MoM to ~14k units. Domestic CV volumes were up 3% MoM to 8.4k units as M&HCV rose 14.8% MoM to ~4k units while domestic LCVs fell ~5% MoM to ~4.4k units. Exports grew ~84% MoM to 960 units.
- **Eicher Motors'** CV segment volumes grew 12% MoM to 4.8k units.
- **Escorts'** tractor volumes were down 13% MoM at ~5.7k units. Domestic volumes fell 19% MoM to ~5k units while exports stood at 773 units (up 52%).
- **Mahindra & Mahindra's (M&M)** CV segment volumes slumped 50% MoM to ~8.8k units as LCVs >3.5T declined 27% MoM. Volumes in 3W segment witnessed 21% MoM growth to ~2.6k units on a lower base.

Tractor despatches fell 22% MoM to ~21.4k units as domestic sales were down 22% MoM to ~20k units. With all-time high *rabi* acreage, investments in rural development schemes, increase in MSP rates for *kharif* crops, monsoon trends and demand offtake post *rabi* procurement will be the key monitorables.

- **Tata Motors'** domestic CV segment volumes well as it rose 19% MoM to ~26.2k units. M&HCV and LCV sales grew 19%/21% MoM to ~10.5k/15.7k, respectively. Overall export volumes were up 78% MoM to ~3.8k units.

Table 1: Volume summary for Aug'21

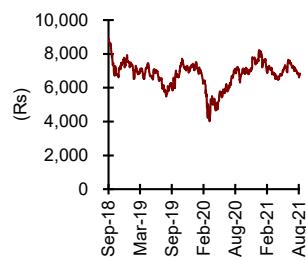
	Aug-20	Jul-21	Aug-21	YoY	MoM	YTD FY22	YTD FY21	YoY
HERO MOTOCORP								
Motorcycles	5,44,658	4,24,126	4,20,609	-23	-1	18,04,306	15,46,107	17
Scooters	39,798	30,272	33,270	-16	10	1,28,460	1,16,126	11
Total	5,84,456	4,54,398	4,53,879	(22)	(0)	19,32,766	16,62,233	16
BAJAJ AUTO								
Domestic	1,78,220	1,56,232	1,57,971	(11)	1	6,56,755	5,16,675	27
Exports	1,42,838	1,74,337	1,80,339	26	3	9,11,429	4,42,868	106
Motorcycles	3,21,058	3,30,569	3,38,310	5	2	15,68,184	9,59,543	63
Domestic	7,659	11,041	14,624	91	32	40,250	19,443	107
Exports	27,482	27,506	20,336	(26)	(26)	1,39,966	76,148	84
3 Wheelers	35,141	38,547	34,960	(1)	(9)	1,80,216	95,591	89
Total Bajaj Auto	3,56,199	3,69,116	3,73,270	5	1	17,48,400	10,55,134	66
Domestic	1,85,879	1,67,273	1,72,595	(7)	3	6,97,005	5,36,118	30
Exports	1,70,320	2,01,843	2,00,675	18	(1)	10,51,395	5,19,016	103
TVS MOTORS								
Motorcycles	1,19,878	1,38,772	1,33,789	12	(4)	6,77,850	3,37,113	101
Scooters	87,044	74,351	87,059	0	17	3,00,845	2,47,413	22
Mopeds	70,304	49,605	53,465	(24)	8	1,77,047	1,83,762	(4)
2-Wheelers	2,77,226	2,62,728	2,74,313	(1)	4	11,55,742	7,76,422	49
Domestic	2,18,338	1,75,169	1,79,999	(18)	3	6,84,051	5,93,869	15
Exports	58,888	87,559	94,314	60	8	4,71,691	1,82,553	158
3-Wheelers	10,172	16,127	16,381	61	2	71,565	30,633	134
Domestic	713	553	768	8	39	2,091	2,000	5
Exports	9,459	15,574	15,613	65	0	69,474	28,633	143
Total TVS Motors	2,87,398	2,78,855	2,90,694	1	4	12,27,307	8,07,055	52
Domestic	2,19,051	1,75,722	1,80,767	(17)	3	6,86,142	5,95,869	15
Exports	68,347	1,03,133	1,09,927	61	7	5,41,165	2,11,186	156
EICHER MOTORS								
LCV/MCV Trucks	1,816	3,002	3,516	94	17	10,009	4,150	141
LCV/MCV Bus	234	173	227	(3)	31	839	671	25
HCVs	390	1,018	924	137	(9)	3,653	1,075	240
Total Eicher	2,440	4,193	4,667	91	11	14,501	5,896	146
Volvo Trucks	37	78	126	241	62	369	123	200
Total HCVs (VECV)	427	1,096	1,050	146	(4)	4,022	1,198	236
Total CVs (VECV)	2,477	4,271	4,793	94	12	14,870	6,790	119
Royal Enfield (RE)	50,144	44,038	45,860	(9)	4	2,13,538	1,47,747	45
of which, RE exports	2,573	4,748	6,790	164	43	30,501	7,221	322
Total RE + VECV	52,621	48,309	50,653	(4)	5	2,28,408	1,54,537	48
MARUTI SUZUKI								
Mini	19,709	19,685	20,461	4	4	87,386	49,420	77
Compact	61,956	70,268	45,577	(26)	(35)	2,77,355	1,46,443	89
Super Compact				-	-	-	-	-
Mid-Size	1,223	1,450	2,146	75	48	6,114	3,271	87
Passenger Cars	82,888	91,403	68,184	(18)	(25)	3,70,855	1,99,134	86
Utility Vehicles	21,030	32,272	24,337	16	(25)	1,16,620	53,607	118
Vans	9,115	10,057	10,666	17	6	42,506	23,036	85
Utility Vehicles + Vans	30,145	42,329	35,003	16	(17)	1,59,126	76,643	108
Domestic PV Sales	1,13,033	1,33,732	1,03,187	(9)	(23)	5,29,981	2,75,777	92
Light Commercial Vehicles	2,292	2,768	2,588	13	(7)	9,412	5,713	65
Sales to OEM	1,379	4,738	4,305	212	(9)	20,020	3,548	464
Total Domestic Sales	1,16,704	1,41,238	1,10,080	(6)	(22)	5,59,413	2,85,038	96
Exports	7,920	21,224	20,619	160	(3)	87,362	24,249	260
Total Maruti Suzuki	1,24,624	1,62,462	1,30,699	5	(20)	6,46,775	3,09,287	109
MAHINDRA & MAHINDRA								
Utility Vehicles	13,407	20,797	15,786	18	(24)	79,153	36,008	120
Cars & Vans	244	249	187	(23)	(25)	1,068	610	75
Passenger Vehicles	13,651	21,046	15,973	17	(24)	80,221	36,618	119
LCV < 3.5 T	15,097	17,238	8,329	(45)	(52)	58,733	43,528	35
LCV > 3.5T	98	84	61	(38)	(27)	420	197	113
M&HCV	104	263	451	334	71	1,307	264	395
Commercial Vehicles	15,299	17,585	8,841	(42)	(50)	60,460	43,989	37
Three-Wheelers	307	2,148	2,591	744	21	7,804	442	1,666
Total Domestic Sales	29,257	40,779	27,405	(6)	(33)	1,48,485	81,049	83
Exports	1,169	2,123	3,180	172	50	11,850	4,706	152
Total Auto Sales	30,426	42,902	30,585	1	(29)	1,60,335	85,755	87
Tractors Domestic	23,503	25,769	19,997	(15)	(22)	1,41,614	1,12,543	26
Tractors - Exports	955	1,460	1,363	43	(7)	6,904	2,974	132
Total Tractor Sales	24,458	27,229	21,360	(13)	(22)	1,48,518	1,15,517	29
Total Auto + Tractors	54,884	70,131	51,945	(5)	(26)	3,08,853	2,01,272	53

	Aug-20	Jul-21	Aug-21	YoY	MoM	YTD FY22	YTD FY21	YoY
ESCORTS AGRI MACHINERY								
Domestic	6,750	6,055	4,920	(27)	(19)	35,475	29,393	21
Exports	518	509	773	49	52	2,717	1,347	102
Total	7,268	6,564	5,693	(22)	(13)	38,192	30,740	24
ASHOK LEYLAND								
M&HCV	2,589	3,822	4,632	79	21	17,504	5,315	229
LCV (Dost)	6,325	4,828	9,360	48	94	23,125	12,188	90
Total	8,914	8,650	13,992	57	62	40,629	17,503	132
TATA MOTORS								
M&HCV	4,747	8,773	10,467	120	19	37,770	11,043	242
LCV	12,090	13,023	15,705	30	21	53,598	28,346	89
Utility	12,262	16,719	14,446	18	(14)	66,826	21,349	213
Cars	6,321	13,466	13,572	115	1	55,763	26,817	108
Total Domestic Sales	35,420	51,981	54,190	53	4	2,13,957	87,555	144
Exports	1,085	2,138	3,805	251	78	12,886	3,196	303
Total Tata Motors	36,505	54,119	57,995	59	7	2,26,843	90,751	150
HONDA CARS INDIA								
Domestic	7,509	6,055	11,177	49	85	33,103	14,665	126
Exports	420	918	2,262	439	146	5,776	2,369	144
Total	7,929	6,973	13,439	69	93	38,879	17,034	128
TOYOTA KIRLOSKAR								
Domestic	5,555	13,103	12,772	130	(3)	45,002	16,446	174
KIA MOTORS								
Total	10,853	15,016	16,750	54	12	73,942	28,291	161
MG MOTORS								
Total	2,851	4,225	4,315	51	2	15,679	7,678	104
HYUNDAI MOTOR INDIA								
Domestic	45,809	48,042	46,866	2	(2)	2,09,407	1,12,212	87
Exports	6,800	12,207	12,202	79	(0)	54,290	22,588	140
Total Hyundai Motor India	52,609	60,249	59,068	12	(2)	2,63,697	1,34,800	96
HMSI*								
Motorcycles	1,79,086	1,52,685	1,80,067	1	18	5,56,612	4,09,205	36
Scooters	2,49,152	1,87,735	2,21,402	-11	18	6,76,616	5,85,203	16
Domestic	4,28,238	3,40,420	4,01,469	-6	18	12,33,228	9,94,408	24
Exports	15,738	44,500	29,214	86	-34	1,56,108	39,481	295
Total HMSI	4,43,976	3,84,920	4,30,683	(3)	12	13,89,336	10,33,889	34

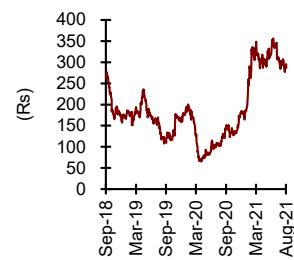
Source: Company data, I-Sec research; NA-Not Available at time of release; Segment wise sales are estimated for HMSI.

Price charts

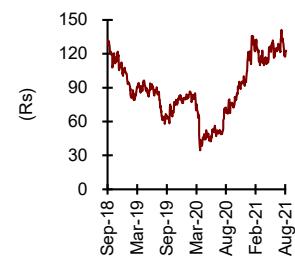
Maruti Suzuki



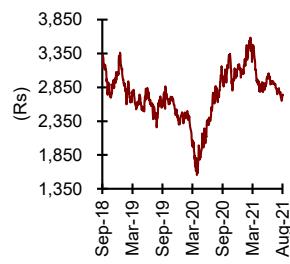
Tata Motors



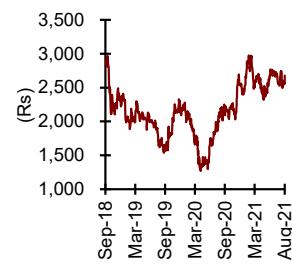
Ashok Leyland



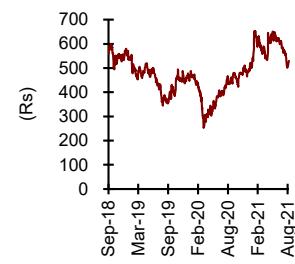
Hero MotoCorp



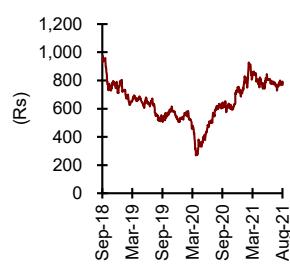
Eicher Motors



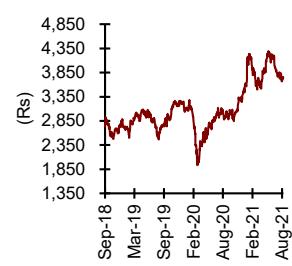
TVS Motors



M&M



Bajaj Auto



Source: Bloomberg

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