



TM

11 March 2024

## Oil & Gas

### Bullish view on crude oil price and bearish view on LNG continues

#### OPEC+ extended supply cuts, global conflict escalates; bullish view in Brent

Strong demand growth, continuous lower OPEC production, and attacks in red sea are keeping crude oil prices at higher levels. Brent crude in Feb'24 picked up 4.2% to \$83.6/bbl from \$80.3/bbl in Jan'24, which averaged above \$80/bbl mark in the last 3m/6m/12m and 24 months. EIA expects global oil demand to rise to 103.6mbpd in Feb'24 vs 100.4mbpd in Jan'24. Also, they expect the global demand to rise by 1.4/1.3mbpd in 2024/25. OPEC+ recently extended the voluntary production cuts to Jun'24 from earlier Mar'24, putting pressure on oil price. Global oil rigs count has increased 1.6% MoM, while mere addition of 2 rigs in the US, brings the global and US count to 1,813 and 623 rigs, respectively. We maintain our bullish stance on crude oil price on the back of OPEC+ supply cut and gradual rise in demand.

#### GRM seems peaked, rather than a jump further, downfall looks closer

GRM increased marginally in Feb'24 to average \$8.2/bbl compared to \$7.8/bbl in Jan'24. Winter season jumbled with heavy storms increased demand for heating, while refineries under maintenance led to a surge in the prices for refined goods. Petrol cracks rose 18.8% MoM to average \$14.4/bbl while diesel cracks increased 4.4% to \$24.9/bbl. To promote the Indian currency, RBI requested OMCs to pay atleast 10% of imports in rupees. US oil inventory remained at near to 3-yr average mark of 440mmbbbls and closed at 447mmbbbls in Feb'24. We expect GRM to remain volatile but to average at around \$7-8/bbl in a year led by absence of any major capacity expansion, and strong middle distillates demand.

#### LNG price fell sharply though margin risk dented CGD's valuation

Spot LNG price corrected 14.4% MoM to average \$8.9/bbl, Jan-Feb'24 average is \$9.7/bbl which averaged \$15.8/bbl in Q3FY24. Lower spot LNG price is positive news for CGDs and Gas utility companies like GAIL and GSPL. However, recent market concern on the margin of CGDs led to a sharp correction in the valuation. LNG market generally remains weak during the summer season and expect LNG prices to remain soft in near to medium term. On marketing margin, petrol/diesel margin both corrected sharply to Rs4.3/1.2 per ltr in Feb'24 from Rs8.4/3.6 per ltr in Jan'24. Petrochemical margins showed a mixed trend where polymer margins showed a marginal improvement while fiber intermediates spreads fell sharply during the month.

#### The oil & gas index underperformed after a sharp run-up; keep a Neutral view on Sector

Significant under-performance from CGD and OMCs partially impacted the performance of oil & gas sector indices, offset by rise in RIL, GAIL and upstream's valuation. The index was up 0.4% during Feb'24 while nifty was up 2.6%. We had downgraded most of our coverage universe stocks and still don't have a BUY on the sector. We expect IOC to outperform in OMCs while MGL looks attractive after the recent fall. Currently, we have a HOLD on GAIL, PLNG, IGL, MGL, GSPL and Reliance while we have a SELL on Gujarat Gas.

### MONTHLY UPDATE

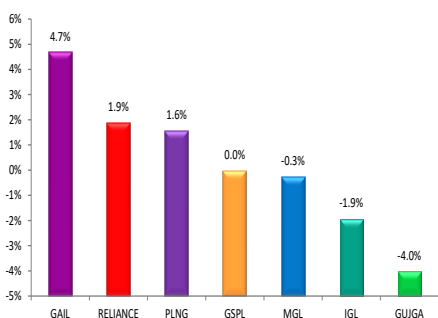
#### Industry Oil & Gas

#### Sector Recommendations

Company	Mkt Cap (bn)	Rating
Gail India	1,240	HOLD
Gujarat Gas	393	SELL
Petronet LNG	422	HOLD
Indraprastha Gas	301	HOLD
Gujarat State Petronet	206	HOLD
Mahanagar Gas	130	HOLD
Reliance Industries	20,013	HOLD

Source: BSE, Systematix Institutional Research

#### Coverage - Stock Performance (Feb'24)



Source: BSE, Systematix Institutional Research

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## Exhibit 1: Valuation snapshot

Companies	CMP	Reco	TP (Rs)	P/E			EV/EBITDA			P/BV (Rs)			RoE (%)		
	(Rs)			FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E	FY24E	FY25E	FY26E
GAIL India	189	HOLD	182	13.1	12.6	12.1	10.1	9.7	9.0	2.1	1.9	1.7	15.7	15.0	14.5
Gujarat Gas	571	SELL	404	39.9	34.3	31.1	22.4	19.4	17.3	5.0	4.5	4.0	12.6	13.0	12.8
Petronet LNG	282	HOLD	280	12.2	12.1	12.1	6.5	6.7	6.5	2.6	2.4	2.2	21.3	19.8	18.3
Indraprastha Gas	430	HOLD	470	16.9	15.1	14.4	10.9	9.4	8.7	3.6	3.1	2.7	21.3	20.5	18.7
Gujarat State Petronet	365	HOLD	350	16.1	15.3	13.4	15.8	12.5	11.4	2.0	1.9	1.7	12.7	12.3	12.8
Mahanagar Gas	1,316	HOLD	1,500	9.6	10.1	9.6	5.8	5.7	5.0	2.6	2.3	2.0	27.4	22.8	20.9
Reliance Industries	2,958	HOLD	2,745	29.9	26.2	25.7	13.2	11.8	11.2	2.3	2.1	1.9	7.5	7.9	7.4

Source: Bloomberg, Systematix Institutional Research

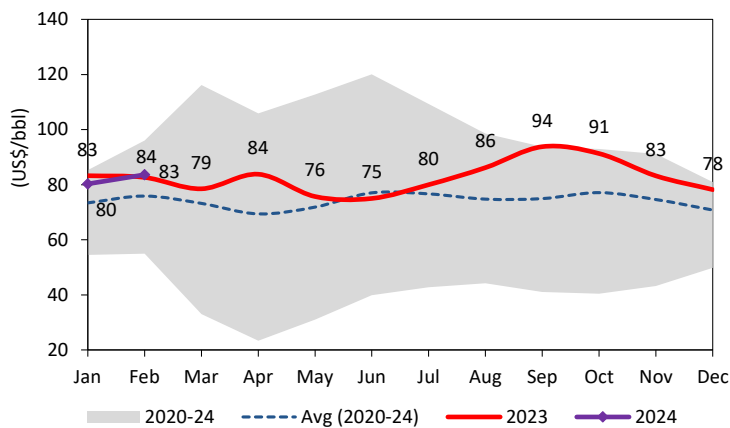
## Exhibit 2: Stock performance over a decade

Name	CMP (Rs)	% Price Change Week	% Price Change Month	% Price Change 3 Months	% Price Change 6 Months	% Price Change 1 Yr	% Price Change YTD	% Price Change 2 Yr	% Price Change 5 Yr	% Price Change 10 Yr
GAIL India Ltd	189	2.4	5.4	32.7	49.6	72.9	16.3	79.7	61.8	163.9
Gujarat Gas Ltd	571	(1.3)	(5.3)	28.8	23.3	11.3	23.7	9.2	320.6	341.8
Petronet LNG Ltd	282	(0.4)	(0.4)	32.4	18.4	30.0	26.5	27.5	20.4	343.5
Indraprastha Gas Ltd	430	(0.8)	(4.3)	5.4	(9.9)	(3.4)	2.8	16.2	46.4	732.9
Gujarat State Petronet Ltd	365	(0.4)	(5.5)	27.5	29.7	24.7	19.2	36.0	115.0	507.2
Mahanagar Gas Ltd	1,316	(12.2)	(11.5)	12.8	25.0	33.5	9.6	72.7	49.8	212.6
Reliance Industries Ltd	2,958	(0.9)	2.6	20.4	21.6	34.8	14.4	45.2	158.7	640.3
Indian Oil Corp Ltd	175	3.1	(6.4)	43.9	90.4	120.3	34.5	123.8	76.1	289.8
Bharat Petroleum Corp Ltd	625	0.2	3.8	31.6	76.2	92.5	38.6	82.9	70.1	347.5
Hindustan Petroleum Corp Ltd	509	(1.7)	(2.9)	32.7	100.1	130.7	27.5	88.0	103.5	692.1
Chennai Petroleum Corp Ltd	904	1.0	(4.2)	32.5	105.6	279.2	29.9	696.1	254.9	1,328.0
Mangalore Refinery & Petrochemicals Ltd	233	1.8	15.1	79.5	145.2	337.1	75.1	455.9	240.2	468.8
Oil & Natural Gas Corp Ltd	278	2.8	2.3	39.8	53.0	75.8	35.6	55.3	84.9	30.4
Oil India Ltd	630	7.0	29.2	99.1	123.6	139.9	69.3	156.2	262.8	157.5
Adani Total Gas Ltd	1,009	(2.9)	(3.0)	(12.9)	56.0	23.0	2.2	(38.1)	779.5	1,234.9
<b>S&amp;P BSE OIL &amp; GAS</b>	<b>28,466</b>	<b>0.7</b>	<b>0.4</b>	<b>26.7</b>	<b>48.2</b>	<b>61.4</b>	<b>23.7</b>	<b>61.0</b>	<b>98.9</b>	<b>210.2</b>
<b>NSE Nifty 50 Index</b>	<b>22,494</b>	<b>0.7</b>	<b>2.6</b>	<b>7.6</b>	<b>14.0</b>	<b>27.0</b>	<b>3.5</b>	<b>40.5</b>	<b>103.8</b>	<b>244.1</b>

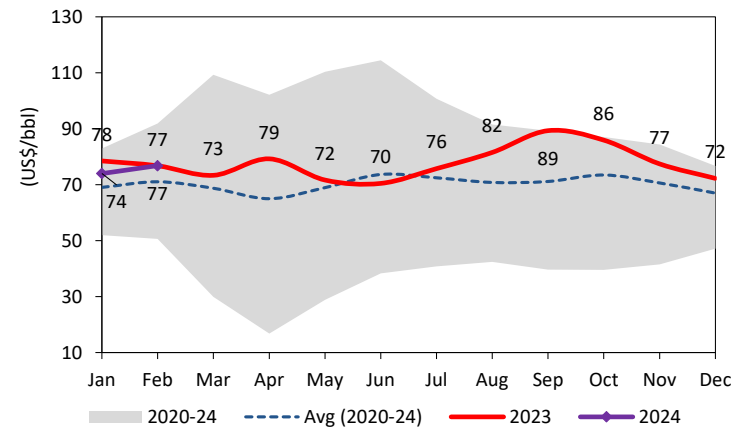
Source: Bloomberg, Systematix Institutional Research

**Crude prices continue upside momentum, India to lead global demand growth:** In Feb'24, crude prices averaged at \$83.6/bbl, up 4.2% MoM (1.2% YoY) while crude prices averaged at \$80.7/bbl in last three months (vs \$89.4/bbl in previous three months). Red sea conflict has diverted trade routes for many Europe bound vessels, also tanker production has relaxed, only 2 super tankers (as per industry data) will join the fleet in 2024, to be the lowest addition in last 4 decades. Although oil industry is expected to report highest ever demand in 2024 (compared to last couple of years), disruption in sea routes and tanker availability is starting to bite the industry resulting in higher tariffs and delay in voyage (adding 10 days in journey via cape of good hope instead of Red sea). Last month India resumed buying Russia's Sokol oil after a break of 2 months (now payment to be made in UAE Dirhams), the trade took a halt because the central govt advised companies not to pay in Chinese yuan to Russian suppliers resulting in the then India's import disruption. Oil demand in India is projected to peak by 2030. India's total oil demand projections will stand at 6.6 mbpd in 2030 against 5.5 mbpd in 2023. In its fortnight revision the central government has announced a hike in SAED on crude petroleum and diesel (Rs4,600/tn and Nil/ltr, from Rs3,300/tn and Rs1.5/ltr respectively), this is the third time sequentially the government has hiked windfall tax as the indexed crude prices also rallied parallelly in the last three months.

**Exhibit 3: Brent price up ~4.2% MoM on improving demand scenerio** **Exhibit 4: WTI oil price increases 3.8% MoM to USD 76.8/bbl**

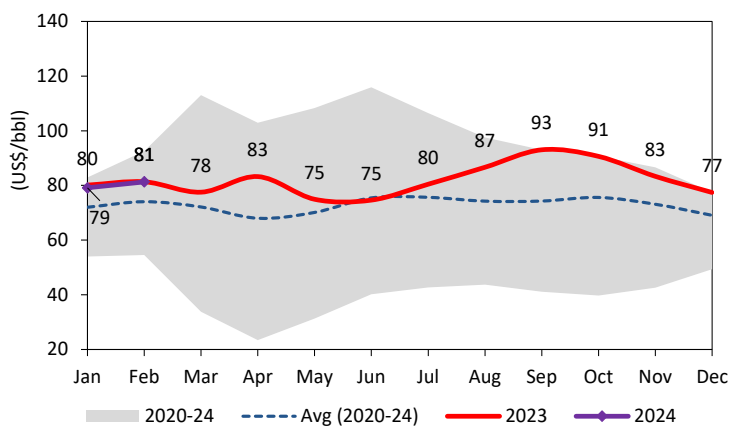


Source: Bloomberg, Systematix Institutional Research



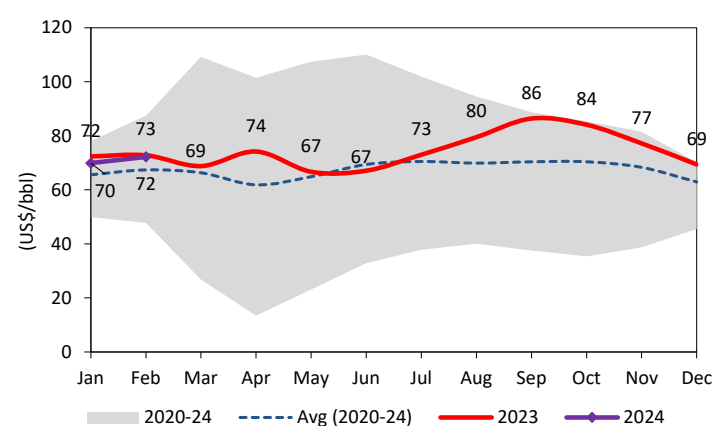
Source: Bloomberg, Systematix Institutional Research

**Exhibit 5: Price of Dubai oil up by 2.7% to USD 81.3/bbl**



Source: Bloomberg, Systematix Institutional Research

**Exhibit 6: Maya crude rises 3.3% now at USD 72.2/bbl**



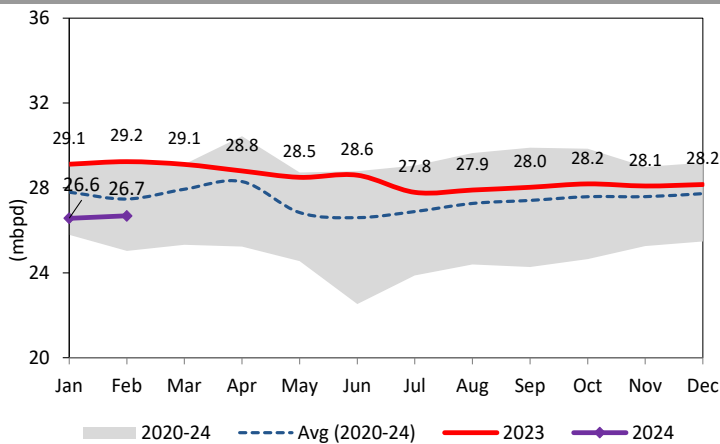
Source: Bloomberg, Systematix Institutional Research

### OPEC+, Saudi Arabia, Russia extend voluntary oil output cuts until Jun'24

OPEC+ recently announced they would continue with intended 2.2mbpd voluntary production cuts which was earlier expected to last till Q1CY24. Similar support came from Saudi Arabia/Russia as they extended voluntary cuts by 1mbpd/0.47mbpd resulting in tightening of the global oil supply, this was much needed to provide support for the price range of \$80-90/bbl. Exports curbs witnessed from Russia amid lower demand due to seasonal refinery maintenance in China (world's top crude importer) and Russia's NORSI refinery (4<sup>th</sup> largest refinery), other factors like poor weather (in the Black Sea unfavourable for shipping), Houthi drone strikes in Red Sea has put some pressure on western flows resulting in crude export to curb from Kremlin.

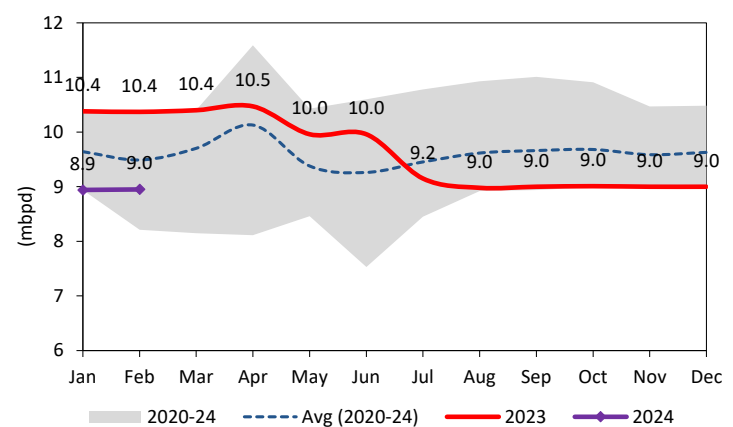
OPEC's production remained flattish this month to 26.7mbpd. Saudi, UAE continue the former's track in maintaining at par production levels MoM while Iraq, Iran witness downfall in production 4%/1.6% respectively but North African Libya's production jumped 11.8% MoM.

**Exhibit 7: OPEC: Crude oil supply picks up marginally MoM**



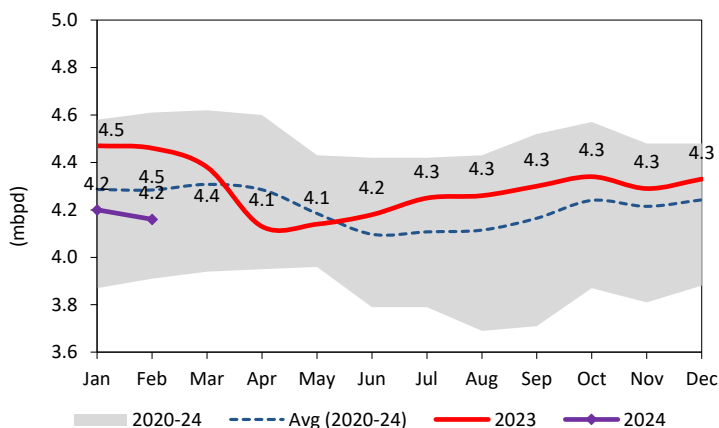
Source: Bloomberg, Systematix Institutional Research

**Exhibit 8: Saudi Arabia flattish MoM production in Feb'24**



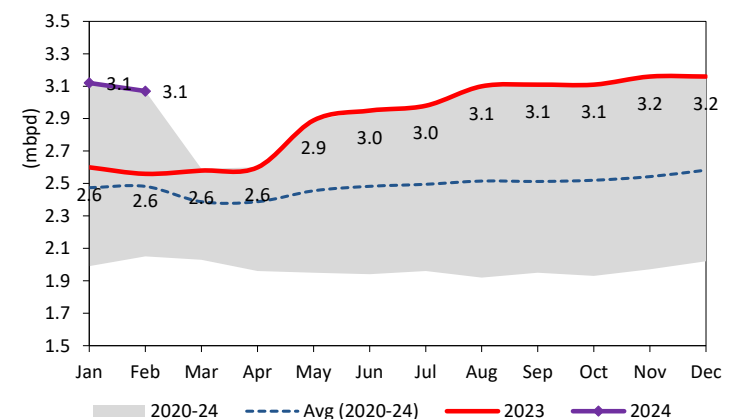
Source: Bloomberg, Systematix Institutional Research

**Exhibit 9: Iraq oil production continue to decline in Feb'24**

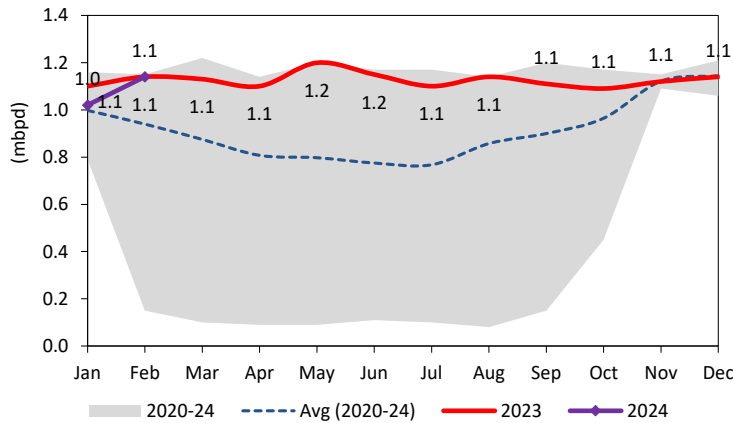


Source: Bloomberg, Systematix Institutional Research

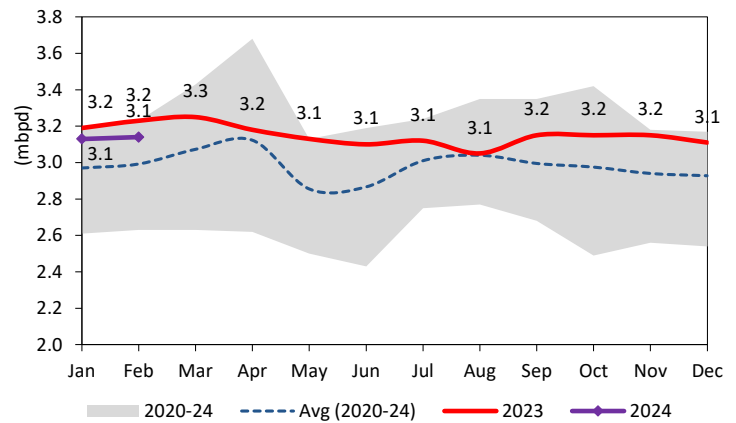
**Exhibit 10: Iran oil production declines 1.6% in Feb'24**



Source: Bloomberg, Systematix Institutional Research

**Exhibit 11: Libya oil production jumps sharply by 11.8% MoM**

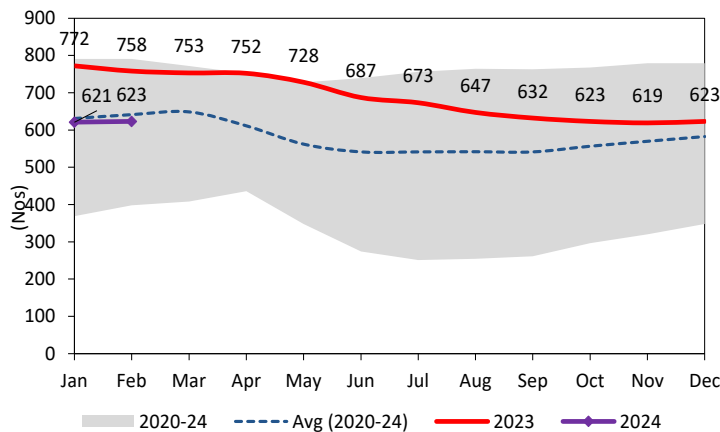
Source: Bloomberg, Systematix Institutional Research

**Exhibit 12: UAE oil production continue to remain flattish**

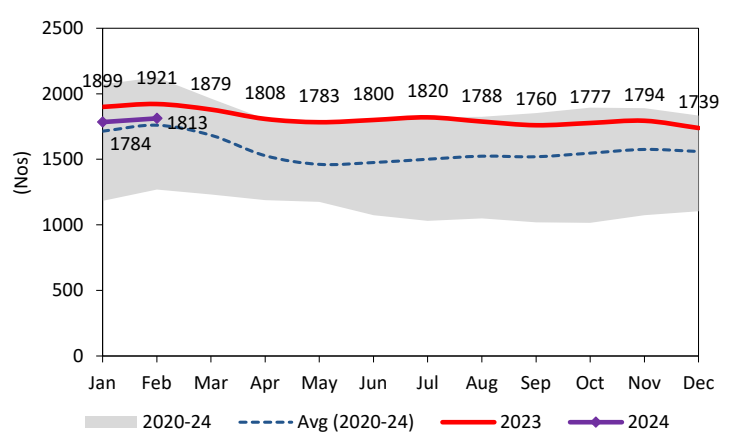
Source: Bloomberg, Systematix Institutional Research

### Rig count improved globally (up 1.6% MoM), mere addition of 2 rigs in the US. Crude oil gains as data shows rise in US inventories.

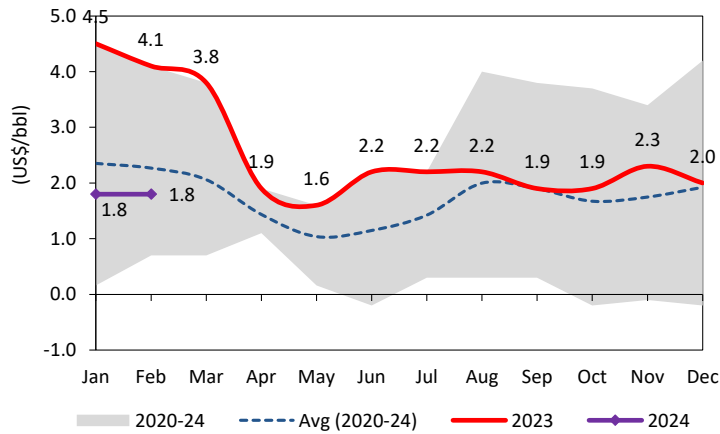
Global rig count jumps in Feb'24 to 1,813 (vs 1,784 in Jan'24 and crossed 1800 mark after 6 months break), on US side, the rigs count stood at 623 rigs (US rig count remains rangebound in between 620-630 wells for the last 6 months). Globally upstream companies are splurging heavily to reap out the benefits of better volume exploration as the market indicates demand to grow up sharply between 2027-2030. The slowdown in drilling activity will make first-half 2024 a little more sluggish, but we believe the capex is inline to ensure gradual volume enhancement. The US rig count deteriorated from 772 in 2023 and concluded with 623 in CY23, reflecting a 149-rigs decline. However, US crude output continued to rise, increasing by 0.8mbpd from Jan'23 to December'23. Since the pandemic ended, E&P companies have returned strong with aggressive exploration plans resulting in improving efficiencies and higher economic returns in near future.

**Exhibit 13: US adds mere 2 rigs in its basket during Feb'24**

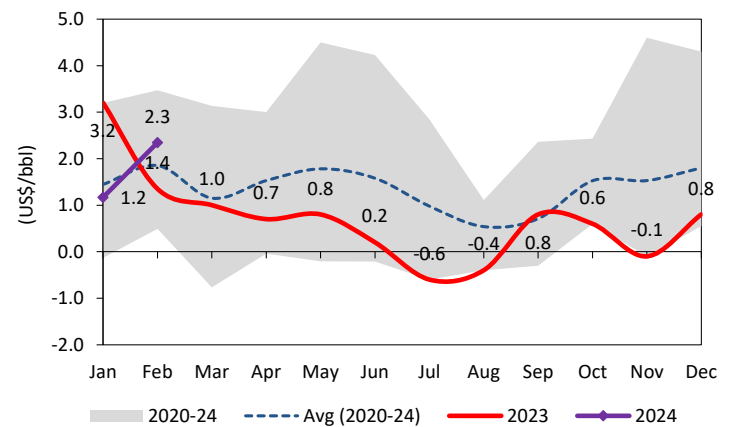
Source: Bloomberg, Systematix Institutional Research

**Exhibit 14: Global rig count up 1.6% MoM (an addition of 29 rigs)**

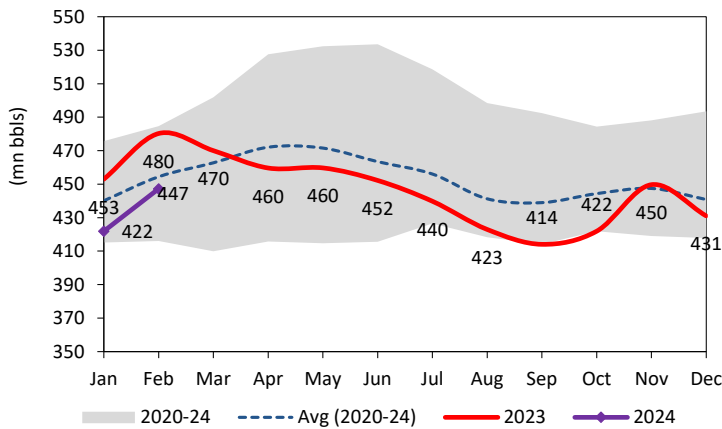
Source: Bloomberg, Systematix Institutional Research

**Exhibit 15: Arab Light-Arab Heavy flattish at USD 1.8/bbl**

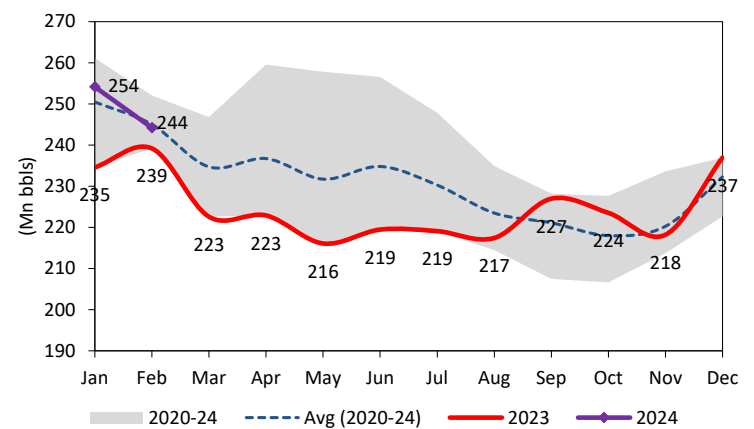
Source: Bloomberg, Systematix Institutional Research

**Exhibit 16: Brent-Dubai differential rises sharply**

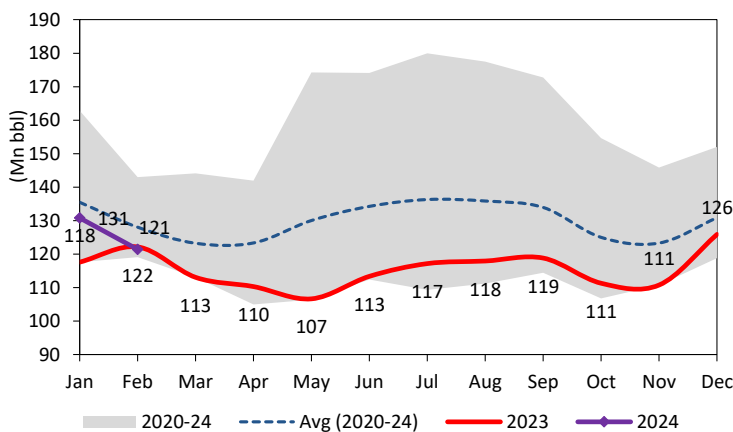
Source: Bloomberg, Systematix Institutional Research

**Exhibit 17: US crude oil inventory gains 6% in Feb'24**

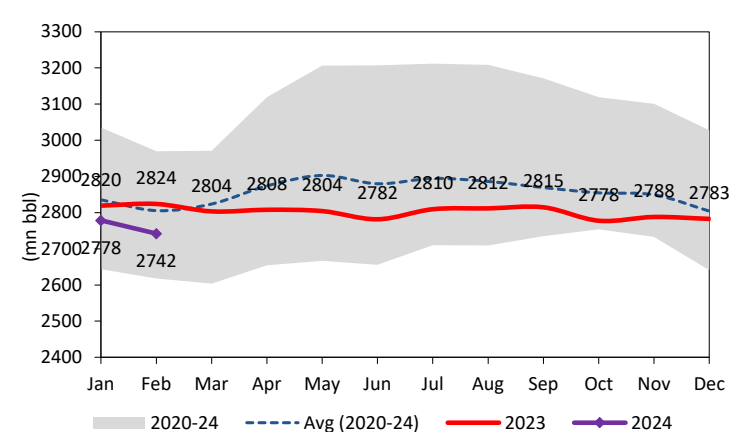
Source: Bloomberg, Systematix Institutional Research

**Exhibit 18: US gasoline inventory down by 3.9% MoM**

Source: Bloomberg, Systematix Institutional Research

**Exhibit 19: US distillates inventory falls 7.2% to 121mn bbl**

Source: Bloomberg, Systematix Institutional Research

**Exhibit 20: OECD oil inventory continue to decline (-1.3% MoM)**

Source: Bloomberg, Systematix Institutional Research

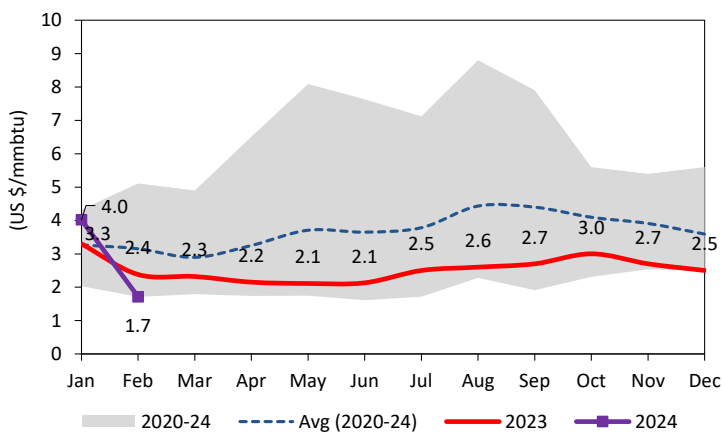
**Henry hub prices tank to a record low in Feb'24, Winter in Europe absorbs 11% inventories from storage (storage now at 62.5%)**

U.S. Henry Hub gas price averaged \$1.5/mmbtu on the last week of Feb'24, the lowest price inflation-adjusted dollars since at least 1997. High natural gas production, low natural gas demand, and larger natural gas stockpiles than the

previous five-year average (2018-22) all led to price declines during 2023 and the first two months of 2024. In US, natural gas consumption reduced during the winter season for residential and commercial sector, winter storm Heather led to a temporary production decline disrupting the volume and pricing environment. Later on, because of high production and relatively low consumption, less natural gas has been withdrawn from storage this winter. In the spirit of solidarity and to protect themselves from heavier pricing during the winter season, EU countries adopted measures to increase gas reserves and policies to share the resources across EU as and when needed. The regulation required that underground gas storage on member states' territory be filled to at least 80% capacity by the winter of 2022/2023, and 90% before future winter months.

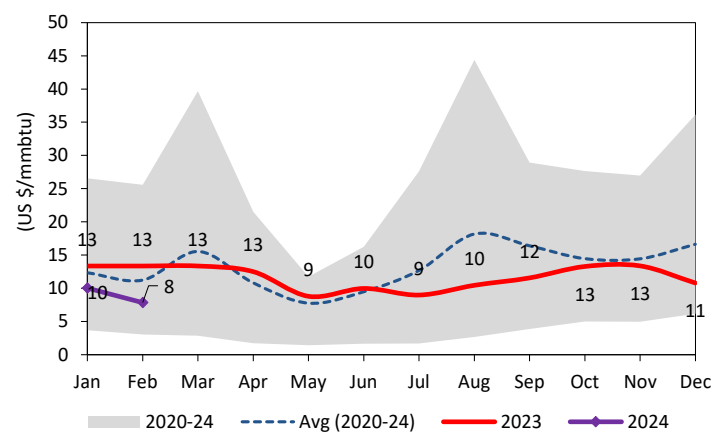
During Feb'24, spot LNG price (Japan Korea LNG Marker) was down by 14% MoM to \$8.9/mmbtu vs \$10.4/mmbtu in Jan'24. Henry hub price fell sharply by 57.4% MoM to USD1.7/mmbtu due to the Heather storm (resulting in production decline) vs Texas cold blast storm last month (resulting in cold waves). Decline in temperatures has also led to drawdown in European storage inventory by -11% MoM (-17%YoY), although it was projected that winters would be mild, consumption was higher than the previous year, and lower temperatures at the conclusion of Q4FY24 may continue significant inventory decline.

**Exhibit 21: Henry-Hub gas price decline sharply by 57.4% for Feb'24**



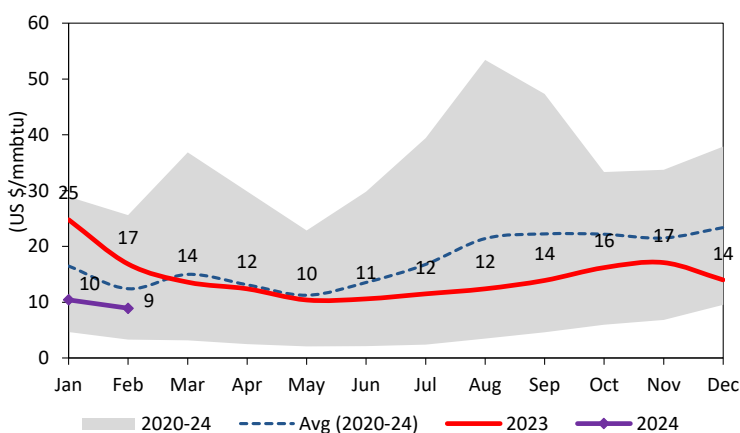
Source: Bloomberg, Systematix Institutional Research

**Exhibit 22: NBP price stroll by 21.7% now at USD7.8/mmbtu**



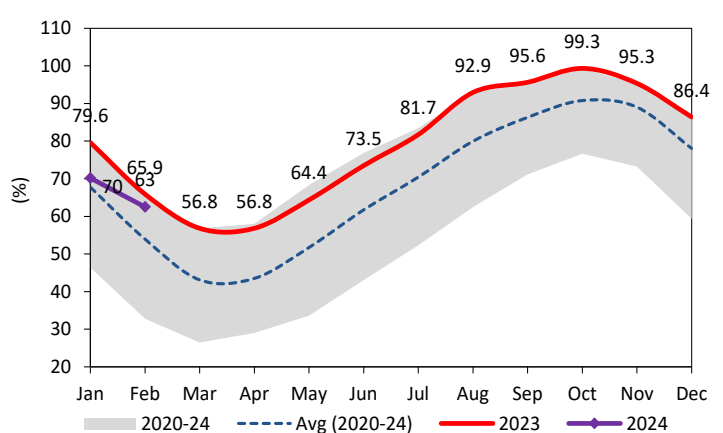
Source: Bloomberg, Systematix Institutional Research

**Exhibit 23: Japan Korea LNG price at USD8.9/mmbtu, -14% MoM**



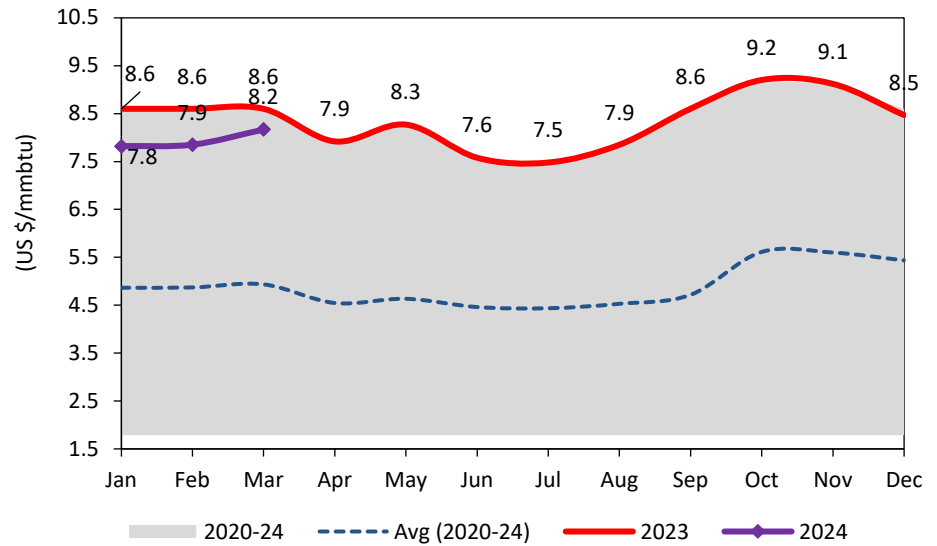
Source: Bloomberg, Systematix Institutional Research

**Exhibit 24: European Gas storage decline by 11% in Feb'24**

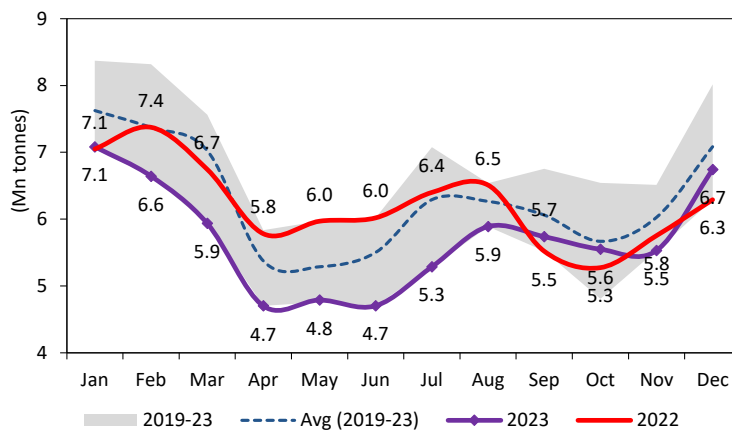


Source: AGSI, Systematix Institutional Research

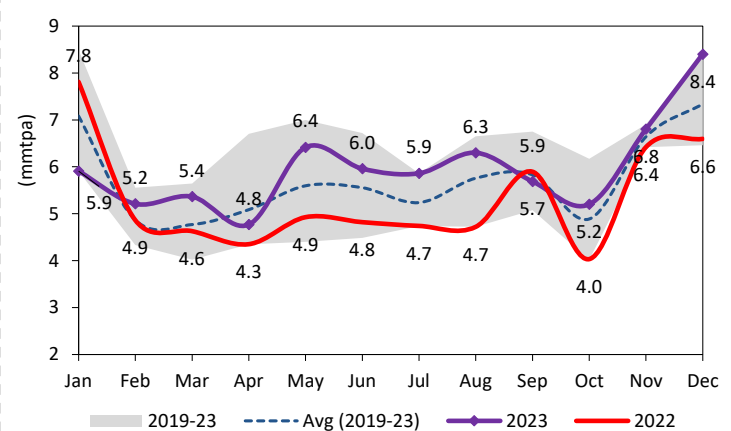


**Exhibit 25: Domestic gas price continues recovery jumps 4.5% MoM (for Mar'24)**

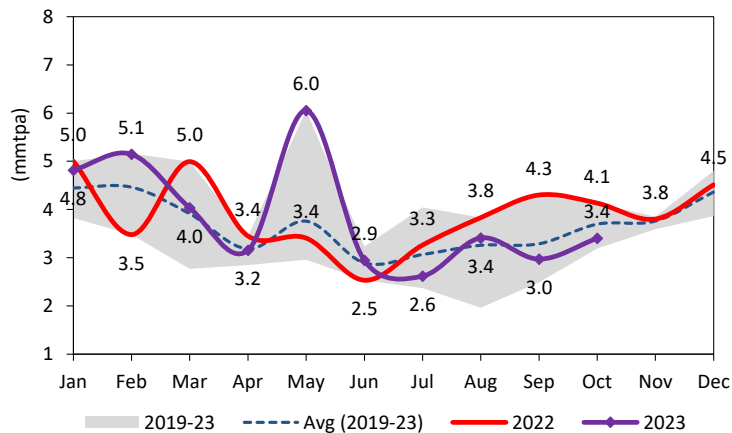
Source: Systematix Institutional Research (Prices for fields not under nomination)

**Exhibit 26: Japan LNG imports up by 21.9% MoM**

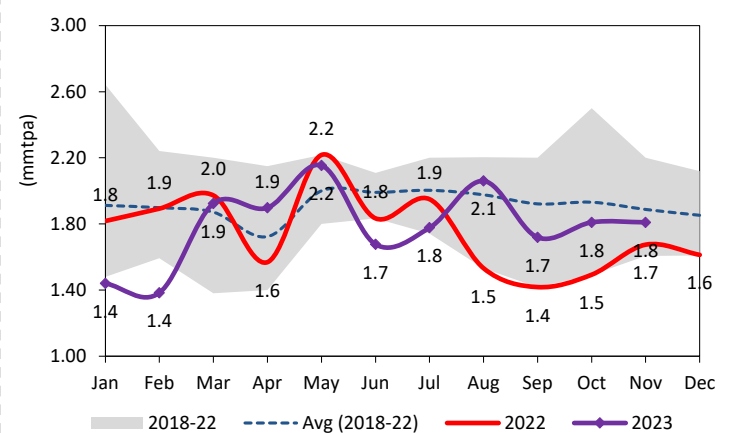
Source: Bloomberg, Systematix Institutional Research

**Exhibit 27: China LNG import up 23.5% on economic jump**

Source: Bloomberg, Systematix Institutional Research

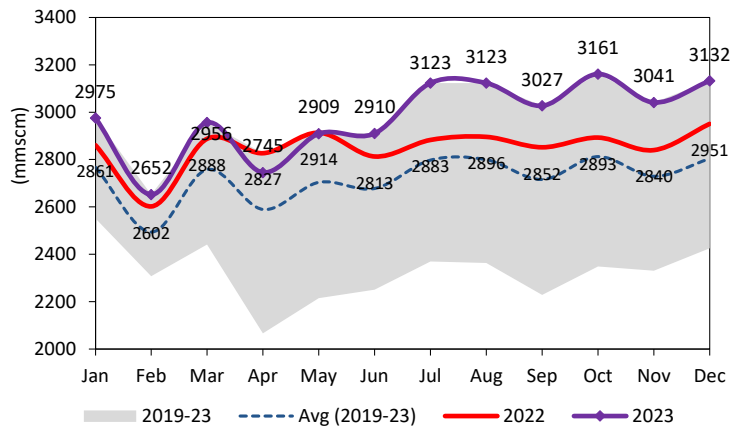
**Exhibit 28: Korea LNG imports jump by 15% MoM**

Source: Bloomberg, Systematix Institutional Research

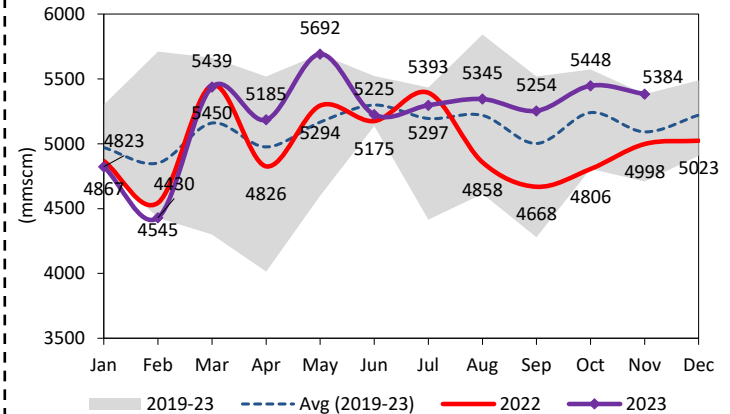
**Exhibit 29: India LNG volume import remains flattish**

Source: PPAC, Systematix Institutional Research



**Exhibit 30: Domestic gas production jump 3% in Dec'23**

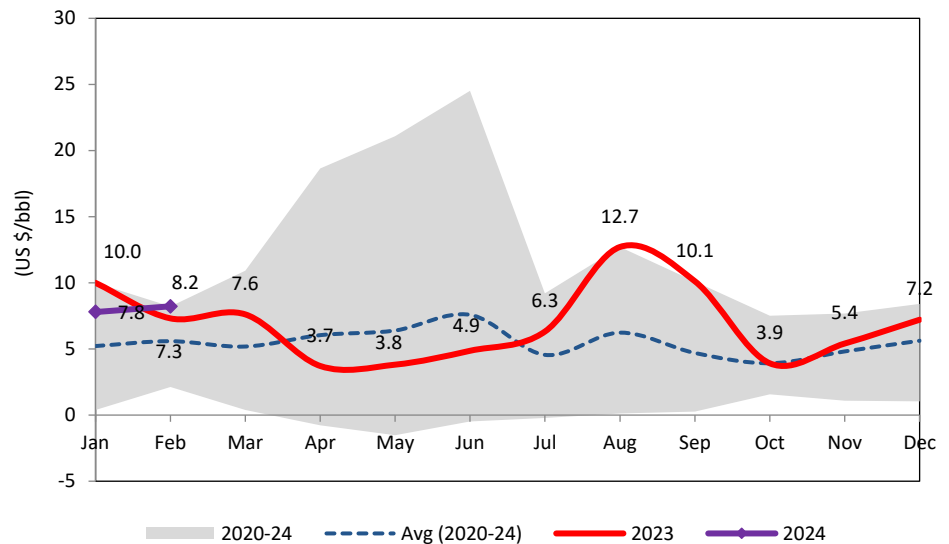
Source: Bloomberg, Systematix Institutional Research

**Exhibit 31: Total gas consumption jump 2% in Dec'23**

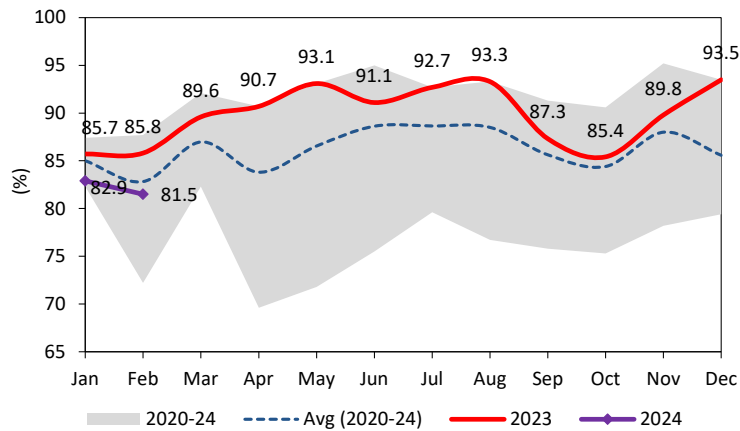
Source: PPAC, Systematix Institutional Research

**GRM continues upwards summit. Petrol/ diesel crack rises in Feb'24**

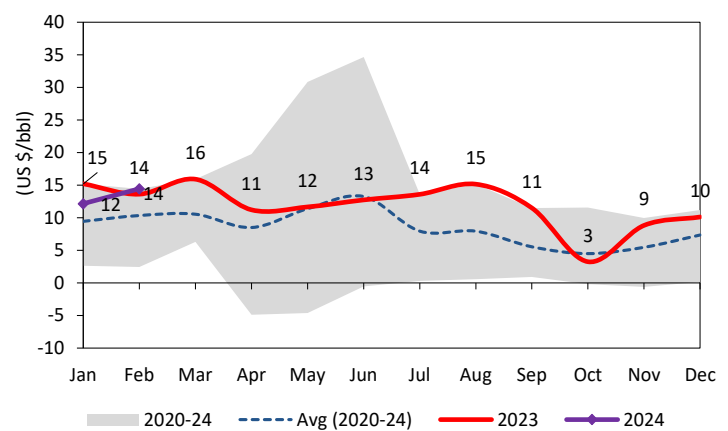
GRM for the month averaged at \$8.2/bbl (up 5.5% MoM), since Oct'23 GRM has witnessed gradual increase from \$3.9/bbl (110% jump till Feb'24). Red sea conflict, volatile trade pacts, US sanctions kept the diesel and GRM levels at peak, benefitting OMCs. We estimate the downfall is near for OMCs as going ahead there will be an ease in diesel availability, crude prices may remain volatile and the benchmark refining margin has started plunging. Last week, GRM was reported at \$4.5/bbl, lowest since Nov'23, low GRMs shall mark a shrinking gap between price of crude and refined products.

**Exhibit 32: Singapore GRM continues momentum up 5.5% MoM now at USD8.2/bbl**

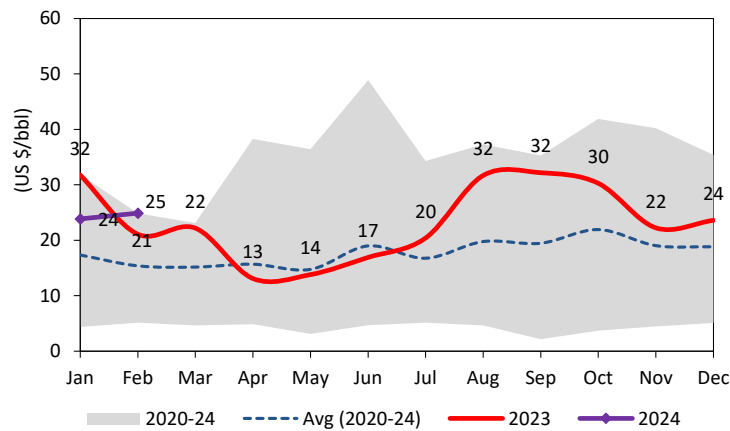
Source: Systematix Institutional Research

**Exhibit 33: US refinery utilisation at 81.5%**

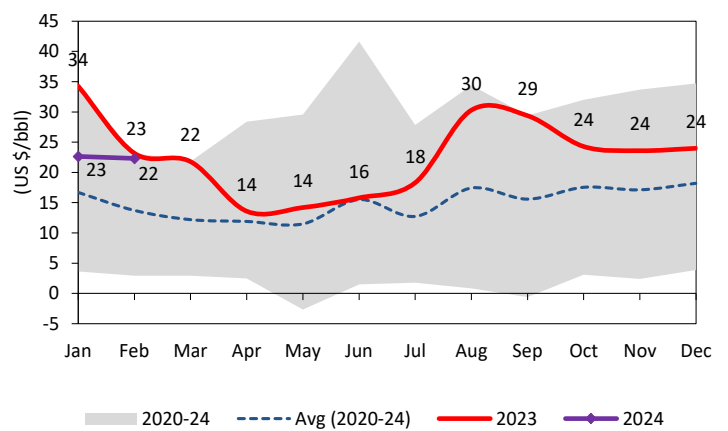
Source: Bloomberg, Systematix Institutional Research

**Exhibit 34: Gasoline crack sharply up and now at USD14.4/bbl**

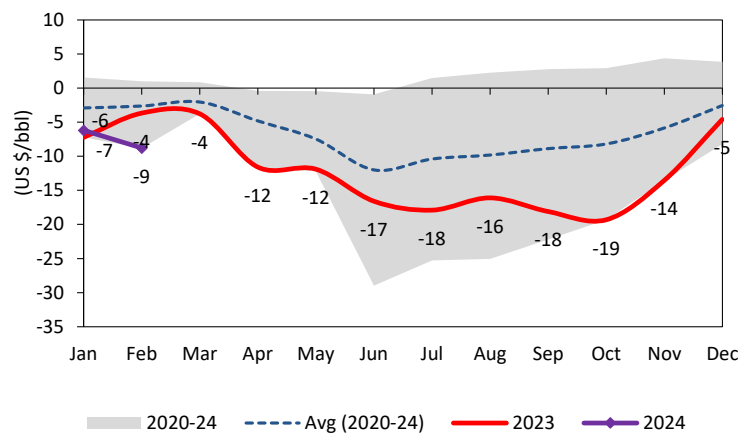
Source: Bloomberg, Systematix Institutional Research

**Exhibit 35: Gasoil crack spread jump 4.4% MoM to USD24.9/bbl**

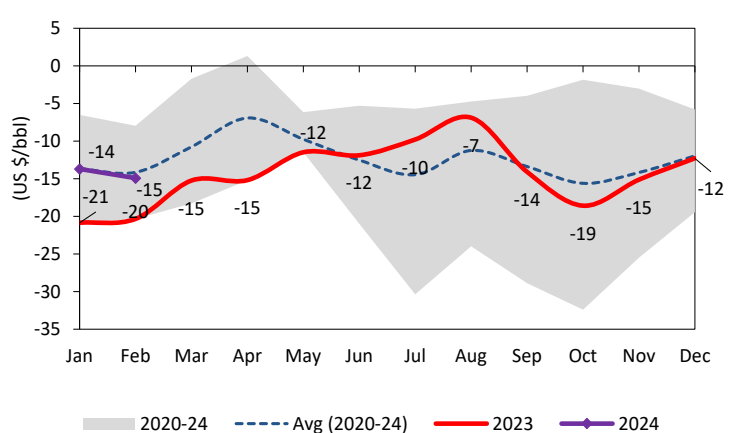
Source: Bloomberg, Systematix Institutional Research

**Exhibit 36: Jet-Kero crack spread down at USD22.3/bbl(-1.4%MoM)**

Source: Bloomberg, Systematix Institutional Research

**Exhibit 37: Naphtha crack down, now at -USD8.8/bbl**

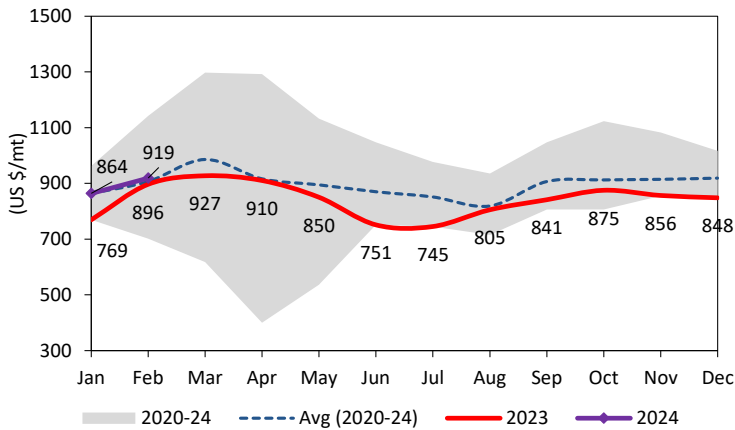
Source: Bloomberg, Systematix Institutional Research

**Exhibit 38: Fuel oil crack declines marginally**

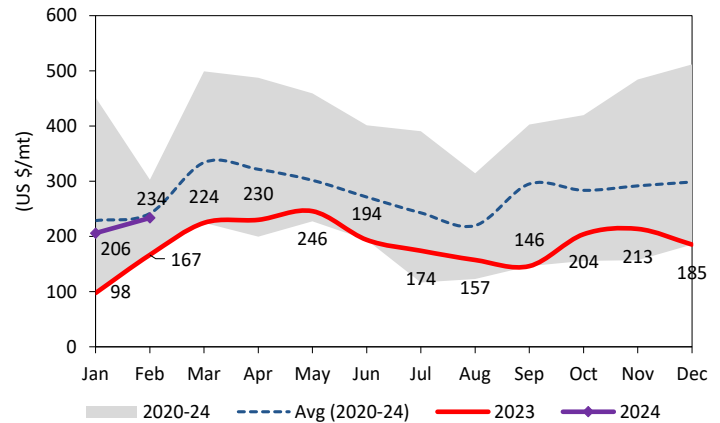
Source: Bloomberg, Systematix Institutional Research

**Petrochemicals rapidly becoming the biggest driver of global oil demand:** During the month of Feb'24, petrochemicals demand was high resulting in which the prices zoomed. Most of the companies have long term plans to build capacity with heavy capex in their petchem business.

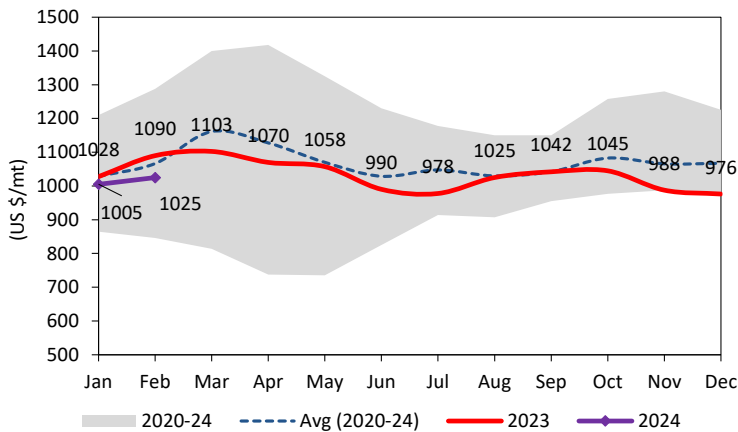
During the month, Ethylene, HDPE, MEG prices increased between 1-6% while PP, Px, Pta prices remained flattish. Fibre intermediates spreads for Ethylene, Meg, Px, Pta, HDPE, PP fell sharply. Petrochemicals are expected to contribute for more than one-third of the increase in oil consumption by 2030 and almost half by 2050, ahead of trucks, aircraft, and shipping. Petrochemicals are also expected to require an extra 56 bcm of natural gas by 2030, accounting for over half of Canada's total gas consumption today.

**Exhibit 39: Ethylene prices rise by 6% MoM**

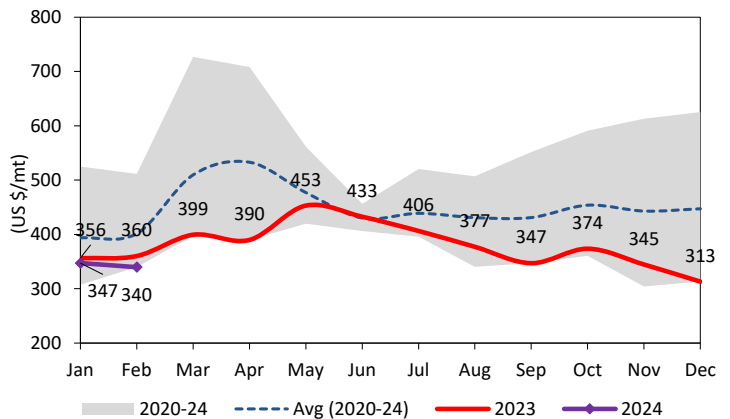
Source: Bloomberg, Systematix Institutional Research

**Exhibit 40: Ethylene-Naphtha jump by 13% MoM in Feb'24**

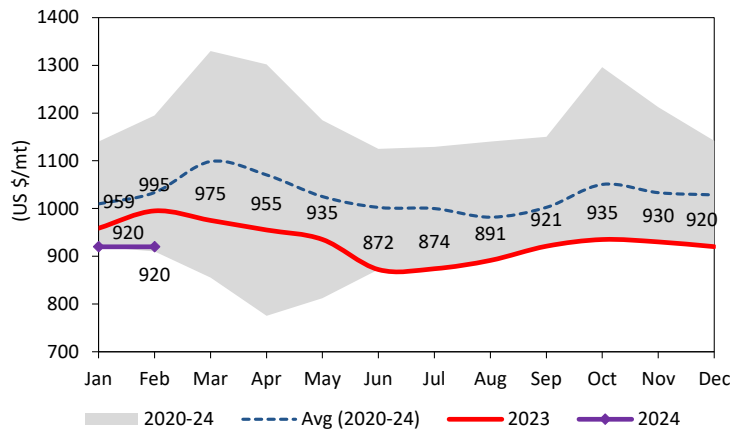
Source: Bloomberg, Systematix Institutional Research

**Exhibit 41: HDPE price went up by 2% MoM**

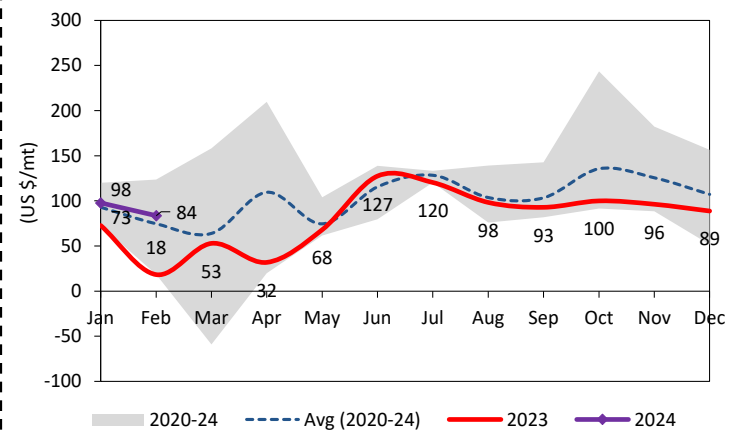
Source: Bloomberg, Systematix Institutional Research

**Exhibit 42: HDPE-Naphtha spread descend by 2.1% MoM**

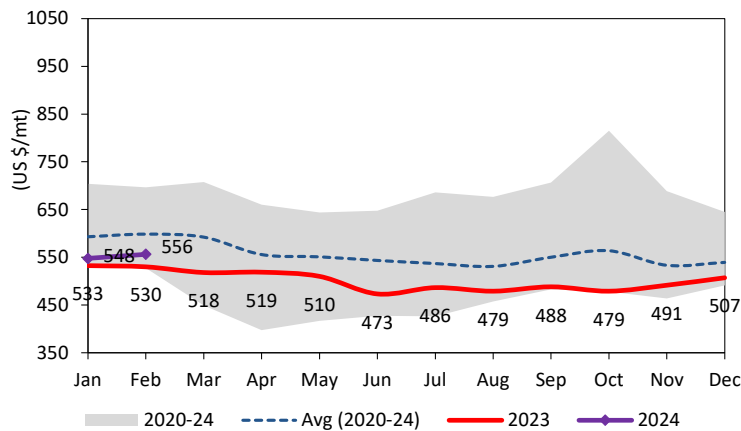
Source: Bloomberg, Systematix Institutional Research

**Exhibit 43: PP price remains flattish MoM**

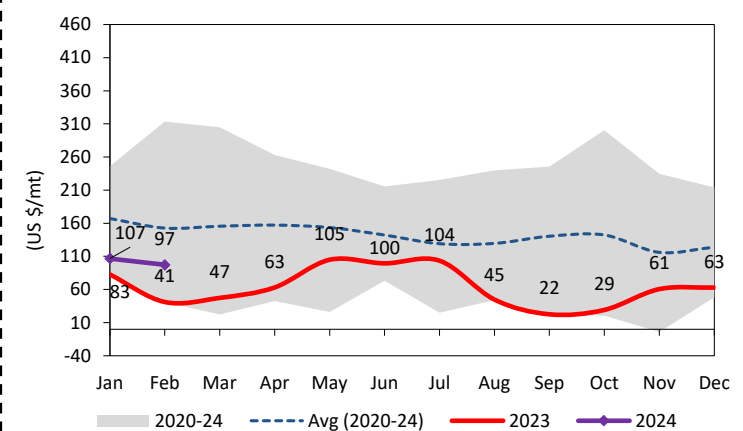
Source: Bloomberg, Systematix Institutional Research

**Exhibit 44: PP-P spread down by 14% to USD83.6/mt**

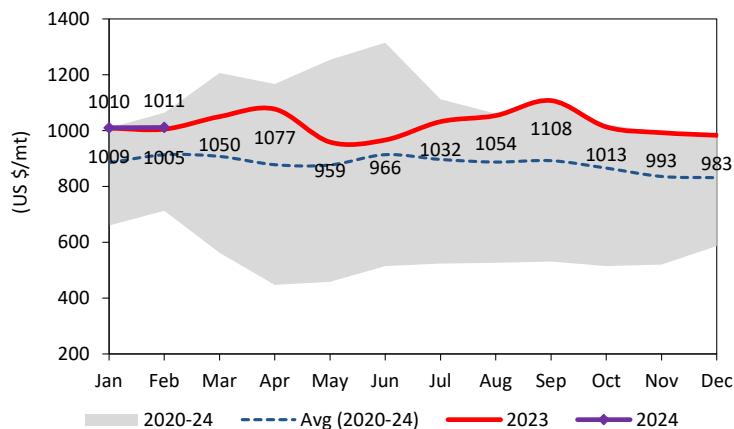
Source: Bloomberg, Systematix Institutional Research

**Exhibit 45: MEG price up by 1.6% to USD556/mt**

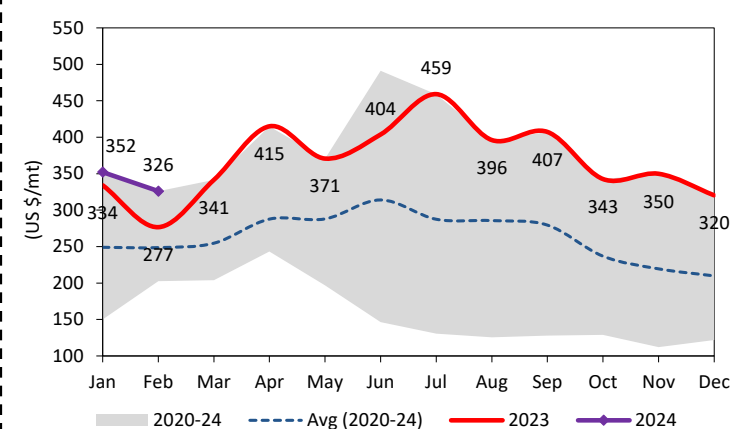
Source: Bloomberg, Systematix Institutional Research

**Exhibit 46: MEG-Naphtha spread decline 9%MoM to USD 97.1/mt**

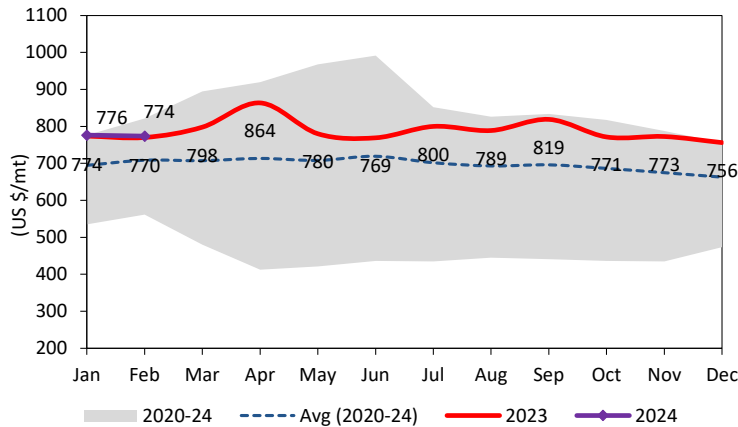
Source: Bloomberg, Systematix Institutional Research

**Exhibit 47: Px price flattish MoM at USD 1,011/mt**

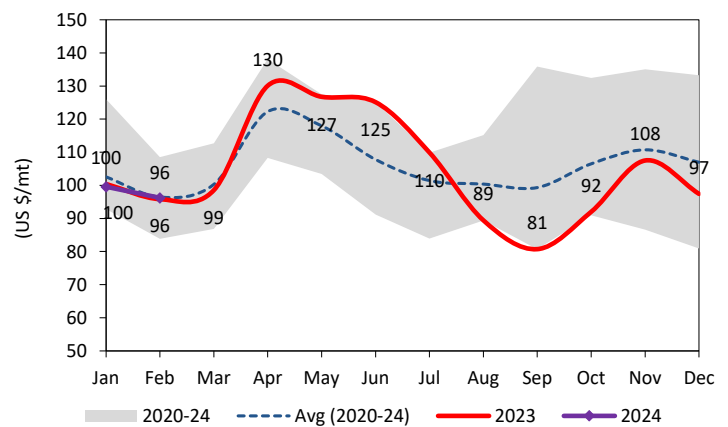
Source: Bloomberg, Systematix Institutional Research

**Exhibit 48: Px-Naphtha spread at USD 326/mt down by 7% MoM**

Source: Bloomberg, Systematix Institutional Research

**Exhibit 49: PTA price MoM flattish at USD 774/mt**

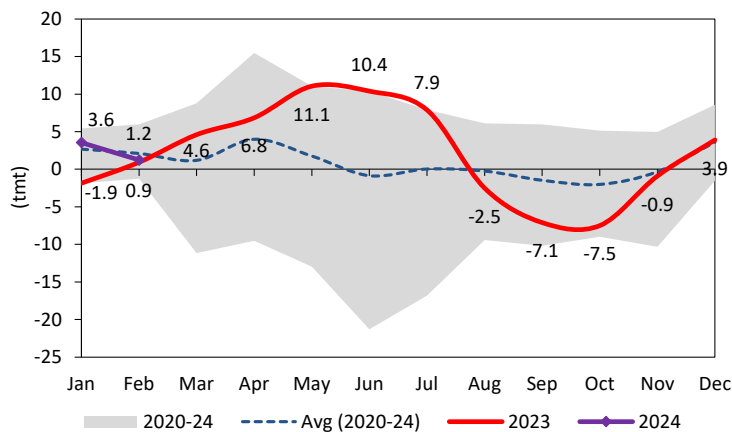
Source: Bloomberg, Systematix Institutional Research

**Exhibit 50: PTA-Px spread decline 3.4% MoM to USD 96.2/mt**

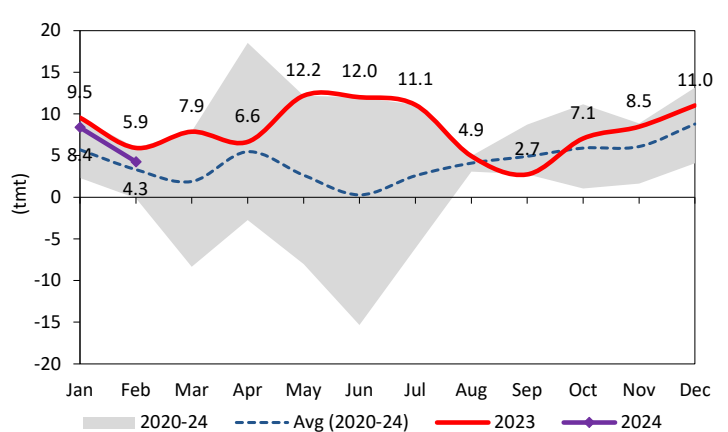
Source: Bloomberg, Systematix Institutional Research

### Gross marketing margin sinks for Diesel and Petrol, product wise consumption shows mixed performance in Feb'24

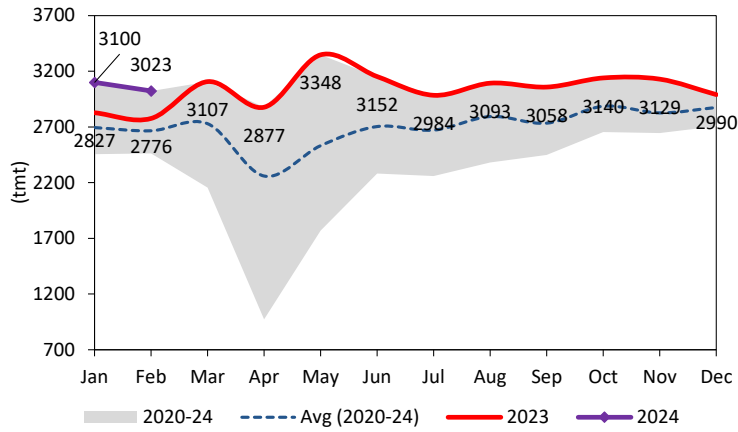
Diesel/ Petrol marketing margin declined sequentially by 66%/49% MoM, sharp decline in marketing margins due to rising crude oil prices and product spreads will impact the profitability of oil marketing companies. HPCL has a higher share of the marketing segment which may impact it the most followed by IOCL and BPCL. Based on current crude and product prices, marketing margins are deep in the red for Petrol its Rs 4.3/ltr (down 49% MoM, down 24% for Jan'24), Diesel its Rs1.2/ltr (down 66% MoM, -9% for Jan'24). Petrol and Diesel consumption has reduced due to truckers' strike, exams in schools/colleges/ Year end work in offices restricting free travel but it shall gain as travelling is bound to increase in April onwards due to holiday season and if the government announce reduction in fuel prices it may boost consumption volumes. Post the planned refinery shutdowns in Russia, EU, US and India there will be supply overflow resulting in aggressive demand to keep the crude prices inline. LPG consumption declined 3.9% to 2.6mmt this fall indicates the govt. needs to push clean fuel technology more strongly in the rural and hilly regions. ATF consumption which was at peak in Dec'23 (720mmt) is declining MoM due to bad weather condition across Indian airports affecting flight movement in Feb'24 due to smog effect. Although there is fresh order for jumbo/wide body planes which shall give steep spike in ATF consumption in coming years.

**Exhibit 51: Diesel gross marketing down to Rs 1.2/ltr (-66%MoM)**

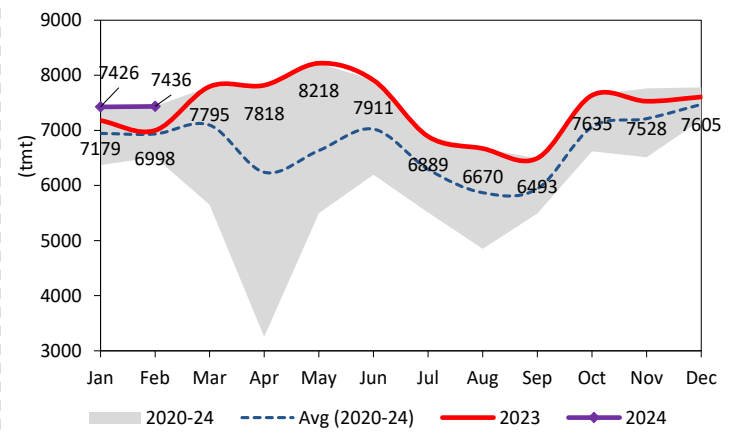
Source: PPAC, Systematix Institutional Research

**Exhibit 52: Petrol gross marketing sinks 49% MoM to Rs4.3/ltr**

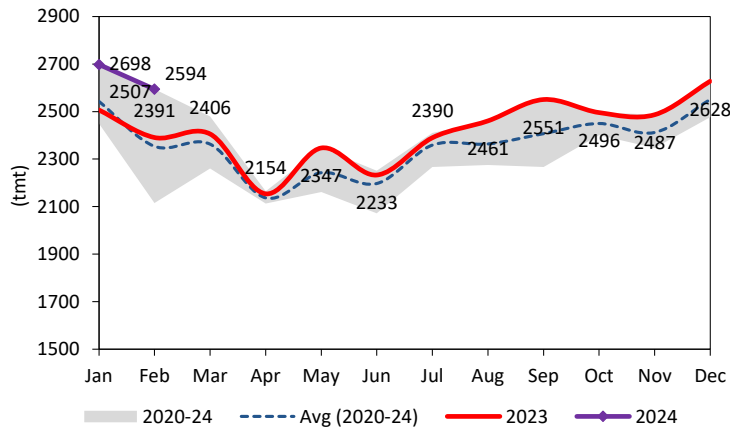
Source: PPAC, Systematix Institutional Research

**Exhibit 53: Gasoline consumption down 3 % MoM to 3mmt**

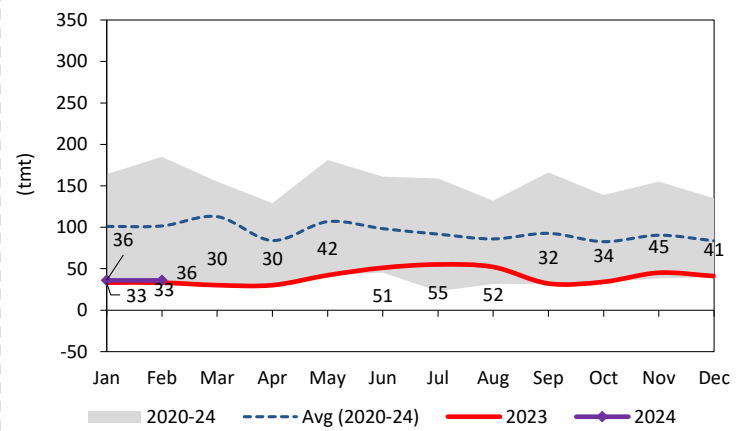
Source: PPAC, Systematix Institutional Research

**Exhibit 54: Gasoil consumption volumes flattish MoM at 7.4mmt**

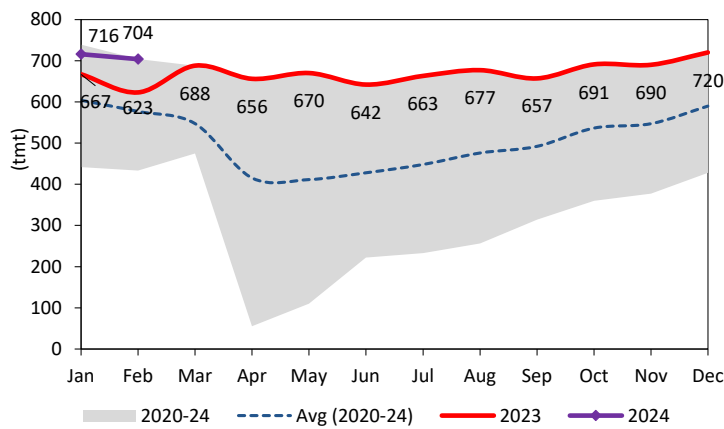
Source: PPAC, Systematix Institutional Research

**Exhibit 55: LPG consumption decline by 3.9% to 2.6mmt**

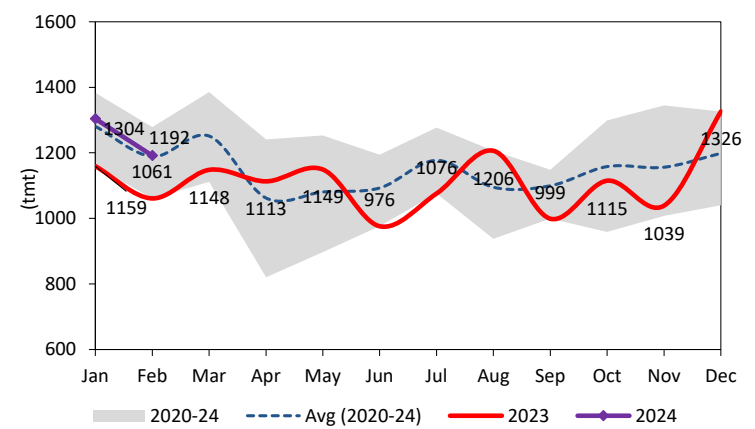
Source: PPAC, Systematix Institutional Research

**Exhibit 56: SKO consumption remains flattish yet again in Feb'24**

Source: PPAC, Systematix Institutional Research

**Exhibit 57: ATF consumption volumes at 704mmt, -1.7% MoM**

Source: PPAC, Systematix Institutional Research

**Exhibit 58: Naphtha consumption sharply falls by 8.6% MoM**

Source: PPAC, Systematix Institutional Research

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