

April sales fall sequentially on Covid-19 second wave surge

The base month of April 20 was impacted by the pandemic as it was the second month of complete nationwide lockdown, and the OEMs sold zero volumes in the domestic markets. Exports to certain markets continued as they were brought forward from the previous month's orders and were already out for shipments. Tractor sales started in the latter half of April as it was clubbed under the essential services category ambit. Therefore it would not be correct to consider the yoy comparison. Hence for this month, we need to review the sales growth sequentially. Based on mom, we witnessed a drop in all the segments and OEMs except Bajaj Auto, whose numbers were lifted by strong exports.

We witnessed a steep surge in the Covid cases in the country from March end. Due to which there were restrictions and lockdowns in various parts of the country. This impacted the auto sales in April as overall sentiments turned out negative. 2Ws and CVs were heavily hurt in this month. The overall PV industry saw lesser declines in the month as compared to other sectors. We witnessed mom fall of 8.3% for MSIL, as its compact car segment fell by 12.6% mom, while this fall was arrested by the small car segment, which grew by 1.6%. TAMO's PV segment fell by 15.4%. M&M's SUV segment grew by 9.6% on Thar delivery dispatches booked earlier. While its CVs and 3Ws fell by 17.6% and 92% respectively. M&M's tractor business in the domestic markets also dropped by 12.4%. Even Escorts tractors fell by 44% domestically. The CV segment overall saw a decline of 60% for both TAMO and AL. 2Ws sector in the domestic markets fell by ~30% for all the 3 top players.

Based on the factors mentioned above, we expect a stronger FY 22 on a very low base of H1 FY21. However, the growth will be lower than our earlier expectations as second wave of pandemic has hit the country badly. Therefore retail as well as wholesale numbers will be impacted at least in Q1 of FY 22. Stocks specifically, Hero Motocorp (2W market leader and king in the rural markets), Bajaj Auto(#1 in 2W exports markets) and Maruti Suzuki (PV market leader) will be the winners, as we believe that they being market leaders with widespread distribution network, will be the best placed to increase their market shares and gain from the current situation. We also believe that M&M with its thrust on rural markets through its leadership in tractors business and prudent capital allocation and a robust growth strategy is one of the best investment stories. We like Ashok Leyland within CVs as it has a diversified revenue base deriving from LCVs, defense, MHCVs and spares. Also the recovery and growth in its monthly numbers is thick and fast. Tata Motors is seeing a strong PV business, along with a revival in MHCVs. However, given the current pandemic, we may see some correction in these stocks in the short term, thus providing good opportunities for investors to enter into them from medium to long term perspective.

	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Hero Motocorp	3,72,285	5,76,957	-35.5%	-	-	3,72,285	-	-
Bajaj Auto	3,87,566	3,69,448	4.9%	37,878	923.2%	3,87,566	37,878	923.2%
TVS	2,38,983	3,22,683	-25.9%	9,640	2379.1%	2,38,983	9,640	2379.1%
Maruti	1,59,691	1,67,015	-4.4%	632	25167.6%	1,59,691	632	25167.6%
M&M	62,250	71,373	-12.8%	5,505	1030.8%	62,250	5,505	1030.8%
Auto	34,727	40,403	-14.0%	733	4637.7%	34,727	733	4637.7%
Tractors	27,523	30,970	-11.1%	4,772	476.8%	27,523	4,772	476.8%
Tata Motors	41,739	70,263	-40.6%	-	-	41,739	-	-
Ashok Leyland	8,340	17,231	-51.6%	-	-	8,340	-	-
Escorts	7,168	12,337	-41.9%	712	906.7%	7,168	712	906.7%



Hero Motocorp

	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Total sales	3,72,285	5,76,957	-35.5%	-	-	3,72,285	-	-

Bajaj Auto

	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Motorcycles								
Domestic	1,26,570	1,81,393	-30.2%	-	-	1,26,570	-	-
Exports	2,21,603	1,48,740	49.0%	32,009	592.3%	2,21,603	32,009	592.3%
Total	3,48,173	3,30,133	5.5%	32,009	987.7%	3,48,173	32,009	987.7%
3W								
Domestic	7,901	17,158	-54.0%	-	-	7,901	-	-
Exports	31,492	22,157	42.1%	5,869	436.6%	31,492	5,869	436.6%
Total	39,393	39,315	0.2%	5,869	571.2%	39,393	5,869	571.2%
Domestic	1,34,471	1,98,551	-32.3%	-	-	1,34,471	-	-
Exports	2,53,095	1,70,897	48.1%	37,878	568.2%	2,53,095	37,878	568.2%
Total	3,87,566	3,69,448	4.9%	37,878	923.2%	3,87,566	37,878	923.2%

TVS Motors

	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Motorcycles	1,33,227	1,57,294	-15.3%	-	-	1,33,227	-	-
Scooters	65,213	1,04,513	-37.6%	-	-	65,213	-	-
Mopeds	27,753	45,630	-39.2%	-	-	27,753	-	-
Total 2W	2,26,193	3,07,437	-26.4%	8,134	2680.8%	2,26,193	8,134	2680.8%
3W	12,790	15,246	-16.1%	-	-	12,790	-	-
Total sales	2,38,983	3,22,683	-25.9%	9,640	2379.1%	2,38,983	9,640	2379.1%
Exports out of the above	1,07,185	1,19,422	-10.2%	9,640	1011.9%	1,07,185	9,640	1011.9%
2W exports	94,807	1,05,282	-9.9%	8,134	1065.6%	94,807	8,134	1065.6%

Maruti Suzuki

	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Mini(Alto, Old WagonR, S-Presso)	25,041	24,653	1.6%	-	-	25,041	-	-
Compact(New WagonR, Swift,Celerio, Baleno, Dzire, Ignis)	72,318	82,201	-12.0%	-	-	72,318	-	-
Mid size (SX4, Ciaz)	1,567	1,628	-3.7%	-	-	1,567	-	-
Total passenger cars	98,926	1,08,482	-8.8%	-	-	98,926	-	-
Utility Vehicles(Gypsy, Ertiga, XL6, S-Cross, Vitarra Brezza)	25,484	26,174	-2.6%	-	-	25,484	-	-
Vans(Omni, Eeco)	11,469	11,547	-0.7%	-	-	11,469	-	-
LCV (Super Carry)	1,272	3,316	-61.6%	-	-	1,272	-	-
Total domestic sales	1,37,151	1,49,519	-8.3%	-	-	1,37,151	-	-
Sales to other OEM :A:Compact	5,303	5,899	-10.1%	-	-	5,303	-	-
Exports	17,237	11,597	48.6%	632	2627.4%	17,237	632	2627.4%
Total sales	1,59,691	1,67,015	-4.4%	632	25167.6%	1,59,691	632	25167.6%



Mahindra & Mahindra

Auto segment	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Utility Vehicles	18,186	16,643	9.3%	-	-	18,186	-	-
Cars+Vans	99	57	73.7%	-	-	99	-	-
Total PV	18,285	16,700	9.5%	-	-	18,285	-	-
LCV(<3.5 T)	13,771	16,324	-15.6%	-	-	13,771	-	-
LCV (>3.5T)+ MHCV	333	792	-58.0%	-	-	333	-	-
Total CV	14,104	17,116	-17.6%	-	-	14,104	-	-
3 wheelers	333	4,461	-92.5%	-	-	333	-	-
Total domestic sales	32,722	38,277	-14.5%	-	-	32,722	-	-
Total exports	2,005	2,126	-5.7%	733	173.5%	2,005	733	173.5%
Total sales	34,727	40,403	-14.0%	733	4637.7%	34,727	733	4637.7%

FES	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Domestic	26,130	29,817	-12.4%	4,716	454.1%	26,130	4,716	454.1%
Exports	1,393	1,153	20.8%	56	2387.5%	1,393	56	2387.5%
Total FES	27,523	30,970	-11.1%	4,772	476.8%	27,523	4,772	476.8%

Ashok Leyland

	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
MHCV	4,333	11,101	-61.0%	-	-	4,333	-	-
LCV	4,007	6,130	-34.6%	-	-	4,007	-	-
Total	8,340	17,231	-51.6%	-	-	8,340	-	-

Tata Motors

Segment(models)	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Total CVs	14,435	36,955	-60.9%	-	-	14,435	-	-
Total PVs	25,095	29,654	-15.4%	-	-	25,095	-	-
Exports	2,209	3,654	-39.5%	-	-	2,209	-	-
Total sales	41,739	70,263	-40.6%	-	-	41,739	-	-

Escorts

	Apr-21	Mar-21	% mom	Apr-20	% yoy	YTD FY22	YTD FY21	% yoy
Domestic	6,575	11,730	-43.9%	620	960.5%	6,575	620	960.5%
Exports	593	607	-2.3%	92	544.6%	593	92	544.6%
Total	7,168	12,337	-41.9%	712	906.7%	7,168	712	906.7%



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