

## Oil sales kick off 2012 on a weak note – down 11%YoY in Jan 2012

- Oil consumption in the country stood at 1.46mn tons in Jan 2012 vs. 1.64mn tons in Jan 2011, a decline of 11%YoY.
- The major reason for the decline in consumption was the fall in sale of Furnace Oil (FO), which is down 15%YoY amid the circular debt.
- Moreover, Jet fuel sale is also down by 54%YoY owing to the Pakistan government halting supplies to NATO forces in Afghanistan and withdrawing duty exemptions on oil exports to Afghanistan.
- However, Motor Gasoline demand witnessed an increase of 25%YoY because of enhanced CNG load shedding in the country, despite a substantial increase of 23%YoY in product price.
- Cumulatively in 7MFY12, oil demand reached 11.3mn tons vs. 11.4mn tons in the corresponding period last year, a fall of 0.1%YoY.
- Pakistan State Oil's overall sales are down 8%YoY in Jan 2012. While High Speed Diesel (HSD) volumes increased by 1%YoY, FO sales went down by 16%YoY. MOGAS sales witnessed a robust growth of 31%YoY. In 7MFY12, PSO sales reached 7.3mn tons (down 0.2%) with a market share of 64.2%.
- Attock Petroleum's sales remained flat at 127k tons vs. the decline in the overall industry. MOGAS and HSD sales went up by 20%YoY and 35%YoY, respectively while FO sales declined by 13%YoY. In 7MFY12, APL witnessed an impressive growth of 27%YoY to 932k tons, with a market share of 8.2%.
- At current levels, we maintain our 'Buy' calls on PSO and APL.

Oil Product sales (in 000 tons)								
	7MFY12				YoY-Growth			
	Industry	PSO	Shell	APL	Industry	PSO	Shell	APL
MS	1,606	793	309	109	23%	26%	10%	28%
HOBC	7	4	2	-	8%	3%	27%	NM
SKO	108	54	2	18	14%	-4%	-33%	12%
JP	625	338	172	15	-28%	-19%	-49%	-30%
HSD	3,930	2,116	650	415	-3%	-5%	-17%	80%
LDO	19	5	-	6	-49%	-34%	NM	-79%
FO	5,051	3,969	28	370	1%	1%	-91%	5%
<b>Total</b>	<b>11,346</b>	<b>7,280</b>	<b>1,163</b>	<b>932</b>	<b>0%</b>	<b>0%</b>	<b>-33%</b>	<b>27%</b>

Source: JS Research, \* excludes Non-Energy products & local JP8

**Oil Product sales (in 000 tons)**

	Jan-12				YoY-Growth			
	Industry	PSO	Shell	APL	Industry	PSO	Shell	APL
MS	227	110	43	15	25%	31%	13%	20%
HOBC	1	1	0	-	-2%	-9%	4%	NM
SKO	15	9	0	3	9%	22%	-58%	20%
JP	66	40	16	0	-54%	-38%	-74%	-96%
HSD	571	322	91	55	-6%	1%	-26%	35%
LDO	2	1	-	0	-57%	14%	NM	-95%
FO	576	419	4	54	-15%	-16%	-87%	-13%
<b>Total</b>	<b>1,459</b>	<b>902</b>	<b>155</b>	<b>127</b>	<b>-11%</b>	<b>-8%</b>	<b>-39%</b>	<b>0%</b>

Source: JS Research, \* excludes Non-Energy products & local JP8

**Oil Product sales (in 000 tons)**

	Jan-12				MoM-Growth			
	Industry	PSO	Shell	APL	Industry	PSO	Shell	APL
MS	227	110	43	15	2%	-2%	5%	39%
HOBC	1	1	0	-	4%	14%	-9%	NM
SKO	15	9	0	3	23%	23%	-64%	-2%
JP	66	40	16	0	-3%	-3%	-11%	-51%
HSD	571	322	91	55	17%	14%	37%	35%
LDO	2	1	-	0	-26%	30%	NM	-87%
FO	576	419	4	54	-12%	-22%	-3%	15%
<b>Total</b>	<b>1,459</b>	<b>902</b>	<b>155</b>	<b>127</b>	<b>1%</b>	<b>-8%</b>	<b>19%</b>	<b>23%</b>

Source: JS Research, \* excludes Non-Energy products & local JP8

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