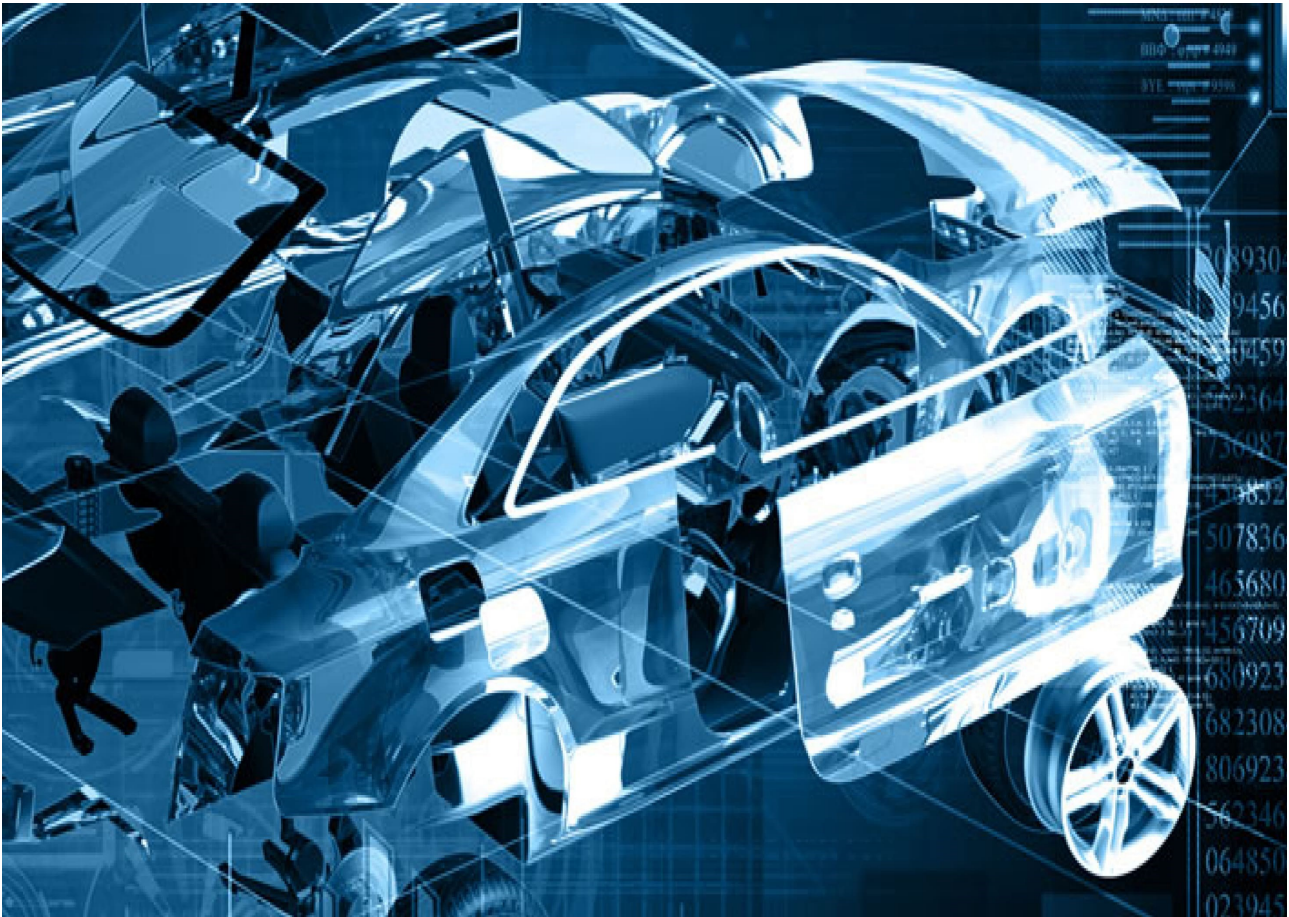


MONTHLY AUTO



FEBRUARY 2021

Auto Sector Monthly Update
Mixed Bag Of Numbers!!

February 2021

Monthly Sales (Domestic & Export in no. of units)			
Company	Feb 2021	Feb 2020	YOY
Passenger Vehicles			
Maruti Suzuki	164469	147110	11.8%
Hyundai Motor India	61800	48910	26.4%
Mahindra & Mahindra*	15391	10938	40.7%
Honda Cars India*	9324	7269	28.3%
Toyota Kirloskar	14075	10352	36.0%
Tata Motors	27225	12430	119.0%
Commercial Vehicles			
Bajaj Auto Ltd	42454	44691	(5.0%)
Tata Motors	33966	28071	21.0%
Mahindra & Mahindra*	19575	15856	23.5%
Ashok Leyland	13703	11475	19.4%
Two Wheelers			
Hero MotoCorp	505467	498242	1.5%
Bajaj Auto Ltd	332563	310222	7.2%
TVS Motors	284581	235891	20.6%
Eicher Motors (Royal Enfield)	69659	63536	9.6%
Three Wheelers			
TVS Motors	13166	17370	(24.2%)
Mahindra & Mahindra*	2357	3843	(38.7%)
Atul Auto	1613	2950	(45.3%)
Tractors			
M&M	28146	22561	24.8%
Escorts	11230	8601	30.6%

Source: Company Reports: Note : * Marked represents only Domestic Sales.

Outlook:

The Indian automobile industry has been trying to recover from the setback brought on by the pandemic. There has been surge in demand seen over the last few months for passenger cars as people are switching to personal mobility, fearing the use of public transportation. There has been a gradual recovery set in for the sector. For the month, the sales were expected to be a mixed bag of ups and downs with the two wheelers to remain under pressure especially in the entry level segment and that's how the numbers are.

The leading player in the PV segment, Maruti reported total sales of 164,469 units, growth of 11.8% compared to the same period last year. M&M reported a growth of 40.7% at 15,391 units. Hyundai reported sales of 61,800 units. Toyota Kirloskar reported sales of 14,075 units for the month, growth of 36.0%. Honda Cars reported 28.3% in sales for the month. Tata Motors reported growth of 119.0%, with highest ever sales in 9 years.

In the CV space M&M reported growth of 23.5%. Ashok Leyland also reported a growth of 19.4%. Tata Motors reported growth of 21.0%. Bajaj Auto sales dropped by 5% for the month.

In the 3W, M&M reported a drop of 38.7% for the month. Atul Auto managed sales of 1613 units for the month. TVS Motors reported drop of 24.2%

In the two wheelers space, Eicher Motors reported growth of 9.6%. TVS Motors reported growth of 20.6% in the overall sales. Hero MotoCorp has reported growth of 1.5%. Bajaj Auto reported growth of 7.2%

Escorts reported overall growth of 30.6%, for the month of February. The tractor demand is expected to continue to be strong on back of positive macroeconomic factors and strong rural cash flows. The supply side situation is normal, but rising inflation continues to be a worry. M&M reported growth of 24.8% during the month. Tractor demand continues to be robust with Rabi sowing at an all-time high, supported by healthy reservoir levels and higher liquidity with farmers, on account of timely and robust procurement of Kharif crops. The outlook for the industry continues to be positive given the all-time high estimates of Rabi production and strong rural cash flows.

So with the gradual unwinding of the economy, there has been pick-up seen in the demand across the different segments of the sector. However, two wheelers have been under pressure especially at the entry level segments. On the other hand, retail enquiries for the PV segment continue to be healthy with strong order backlog amid supply constraints. With personal mobility being the preference, the sector is gradually recovering from the setbacks of the past and inching towards the positive.

Company	CMP	Reco Price	Tgt Price	Comments
Alicon Castalloys Ltd	439	288	500	Manufacturer of aluminium castings for auto & non-automotive
The Hi-Tech Gears Ltd	176	298	200	Manufacturer of gears and transmission components
Munjal Showa Ltd	159	191	191	Manufacturer of shock absorbers and struts
Remsons Industries Ltd	145	104	200	Manufacturer of Gear Shift Systems, Shafts, Control Cables

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