



AUTO MONTHLY

AUGUST 2021

Monthly Sales (Domestic & Export in no. of units)			
Company	Aug 2021	Aug 2020	YOY
Passenger Vehicles			
Maruti Suzuki	130,699	124,624	4.9%
Hyundai Motor India	59,068	52,609	12.3%
Mahindra & Mahindra*	15,973	13,651	17.0%
Honda Cars India*	11,177	7,509	48.8%
Toyota Kirloskar	12,772	5,555	129.9%
Tata Motors	28,018	18,583	50.8%
Commercial Vehicles			
Bajaj Auto	34,960	35,141	(0.5%)
Tata Motors	29,781	17,889	66.5%
Mahindra & Mahindra*	8,841	15,299	(42.2%)
Ashok Leyland	9,360	6,325	48.0%
Two Wheelers			
Hero Motocorp	4,53,879	5,84,456	(22.3%)
Bajaj Auto	3,38,310	3,21,058	5.4%
TVS Motor Ltd	274,313	277,226	(1.1%)
Eicher Motors (Royal Enfield)	45,860	50,144	(8.5%)
Three Wheelers			
TVS Motor Ltd	16,381	10,172	61.0%
Mahindra & Mahindra*	2,591	307	744.0%
Atul Auto	1,411	1,311	7.6%
Tractors			
M&M	21,360	24,458	(12.7%)
Escorts	5,693	7,268	(21.7%)

Monthly Synopsis:

It was expected to be a weak month for the Auto sales led by the shortage in semiconductors which hit the 4W space mainly the PV segment. 2Ws were also under pressure due to high ownership, insurance costs and inventory of nearly six-weeks. On the other hand, CV space is expected to improve on sales as the freight rates have picked up and improvement in the construction activity. With the opening up of the exports market, 2W in this space should get the required impetus but then EV sales will dampen the ICE demand. Tractor volumes were expected to reflect seasonal softness.

The leading player in the PV segment, Maruti reported total sales of 130,699 units, compared to 124,624 units in the comparative period. M&M reported 15,973 units for the month, 17% growth y-o-y. Hyundai reported sales of 59,068 units. Toyota Kirloskar reported sales of 12,772 units for the month. Honda Cars reported 11,177 units sales for the month. Tata Motors reported 28,018 units for the month.

In the CV space, M&M reported sales of 8,841 units. Ashok Leyland reported 9,360 units. Tata Motors reported 29,781 units. Bajaj Auto reported sales of 34,960 units in sales for the month.

In the 3W, M&M reported 2,591 units for the month. Atul Auto managed sales of 1,411 units for the month. TVS Motors reported sales of 16,381 units.

In the two wheelers space, Eicher Motors reported sales of 45,860 units as against 50,144 units in the comparative period. TVS Motors reported de-growth of 1.1% in the overall sales. Bajaj Auto reported growth of 5.4%. Hero Motocorp reported drop of 22.3% in sales for the month.

For the tractors, Escorts reported 5,693 units for the month of August.

August sales is not strictly comparable with last year because of existence of pent-up demand last year, post Covid-19 national wide lockdowns. As we enter festive season months, we see farmer sentiment getting strong and enquiry levels building up, driven by favourable macroeconomic factors, reasonably good water level of reservoirs, good pace of Kharif sowing and continued support by the Govt. to the Agri sector. Some parts of the country have faced a deficit of rainfall in July and August, and it remains to be seen how monsoon behave in September. M&M reported 12.7% de-growth in sales during the month. Industry saw a de-growth in August over last year due to high base effect

Overall, we feel that the semi-conductor shortage will lead to the dent in demand in the PV segment in the short term. CV should be in the uptrend with things normalizing. The 2W space would have positives and negatives to deal with going forward. There would be seasonal effect seen in tractor numbers. With the festive season around the corner, there has been increase seen in the customer enquiries which builds hope for recovery to set in.

Company	CMP	Reco Price	Tgt Price	Comments
Alicon Castalloys Ltd	785	288	1050	Manufacturer of aluminium castings for auto & non-automotive
The Hi-Tech Gears Ltd	250	298	350	Manufacturer of gears and transmission components
Munjaj Showa Ltd	138	191	191	Manufacturer of shock absorbers and struts

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