



AUTO MONTHLY

AUGUST 2023

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Auto Sector Monthly Update

August 2023

Decent Performance!

Monthly Sales (Domestic & Export in no. of units)			
Company	Aug 2023	Aug 2022	YOY
Passenger Vehicles			
Maruti Suzuki	189082	165173	14.5%
Hyundai Motor India	71435	62210	14.8%
Mahindra & Mahindra*	37270	29852	24.8%
Honda Cars India*	7880	7769	1.4%
Toyota Kirloskar	22910	14959	53.2%
Tata Motors*	45933	47351	(3.0%)
Commercial Vehicles			
Bajaj Auto	56617	45970	23.2%
Tata Motors	32077	31492	1.9%
Mahindra & Mahindra*	23613	21482	9.9%
Ashok Leyland	15576	14121	10.3%
Two Wheelers			
Hero MotoCorp	488717	462608	5.6%
Bajaj Auto	285031	355625	(19.9%)
TVS Motor Ltd	332110	315539	5.3%
Eicher Motors (Royal Enfield)	77583	70112	10.7%
Three Wheelers			
TVS Motor Ltd	13738	18248	(24.7%)
Mahindra & Mahindra	7044	4793	47.0%
Atul Auto	2610	1950	33.8%
Tractors			
M&M	21676	21520	0.7%
Escorts	5593	6111	(8.5%)

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

Monthly Synopsis:

Decent monthly sales numbers were expected for the month of August. Urban demand and gradual recovery in the rural markets would lead to the 2W growth for the month. The easing supply chain issues and execution of order backlog were the triggers for the PV space. Seasonality had led to muted return freight demand impacting the LCV sales. Overall the sector is expected to gradually ramp up towards the approaching festivity in months to come.

The leading player in the PV segment, Maruti reported total sales of 189,082 units, compared to 165,173 units in the comparative period, growth of 14.5%. M&M reported 37,270 units for the month, growth of 24.8% y-o-y. Hyundai reported sales of 71,435 units. Honda Cars reported growth of 1.4% for the month. Tata Motors reported 45,933 units for the month. Toyota Kirloskar reported sales of 22,910 units, the highest monthly sales in August.

In the CV space, M&M reported sales of 23,613 units. Ashok Leyland reported 15,576 units for the month. Tata Motors reported 32,077 units. Bajaj Auto reported sales of 56,617 units for the month, growth of 23.2%. In the 3W, M&M reported 7,044 units for the month. Atul Auto managed sales of 2,610 units for the month. TVS Motors reported sales of 13,738 units.

In the two wheelers space, Eicher Motors reported sales of 77,583 units as against 70,112 units in the comparative period. TVS Motors reported growth of 5.3% in the overall sales. Hero MotoCorp reported growth in total sales by 5.6%. Bajaj Auto reported a drop of 19.9% in sales for the month.

In the tractors space, Escorts reported 5,593 units. While there has been a positive momentum in some markets due to Government subsidy programs, the deficient monsoon in other regions during the month of August coupled with shifting of key festive season to the third quarter of this fiscal impacted tractor sales this month. With other macro-economic factors remaining intact, if monsoon catches up in September in these regions, tractor demand may witness good pick up in the upcoming festive months. M&M reported flat sales y-o-y. Terms of trade continue to be favourable for the farmer, with inputs inflation cooling off and crop prices holding firm. With the upcoming festive season, the tractor demand is expected to grow in the coming months.

The monthly numbers are pretty much on the expected lines. The 2W segment is gradually getting back on track with increase in demand, and did stand out this month alongwith the uptick in PVs. The CV segment was impacted by the seasonality; but the freight demand is likely to improve post-monsoon owing to the upcoming festive season. For the tractor segment, although disappointing this month, the demand is expected to increase betting on the favourable crop realization. Overall, we feel the sector looks good going forward with demand stabilizing across the segments.

Company	*CMP	Reco Price	Tgt Price	Comments
Alicon Castalloy Ltd	854	288	1200	Manufacturer of aluminium castings for auto & non-automotive
Automobile Corporation Of Goa Ltd	1551	825	1750	Manufacturer of bus bodies and sheet assemblies
Lumax Industries Ltd	2261	2147	2500	Manufacturer and supplier of automotive components and systems

*as on 01st Sept, 2023

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