

India retail sales - August 2022

MoM trend is in-line with our checks, good optimism for ongoing festivals!

SMIFS LIMITED <small>LEGACY TRUST GROWTH</small>		Retail registration numbers - August 2022						
Units in number	Aug-22	Aug-21	YoY (%)	Jul-22	MoM (%)	YTFY23	YTFY22	YoY (%)
2W	1,074,266	989,969	9%	1,009,574	6%	5,620,450	4,330,136	30%
3W	56,313	30,748	83%	50,349	12%	236,606	100,243	136%
CV	67,158	54,107	24%	66,459	1%	346,343	211,126	64%
PV	274,448	257,672	7%	250,972	9%	1,313,597	1,002,205	31%
Tractors	49,305	72,208	-32%	59,573	-17%	267,024	261,817	2%
Total	1,521,490	1,404,704	8%	1,436,927	6%	7,784,020	5,905,527	32%

Segment wise outlook

- We reiterate green shoots are visible in **two-wheelers** as 100% of dealers surveyed has shown positive body language for the ongoing festivals. Hopeful of the rural zone to match the speed of urban soon. Some pause in retail sales is expected from 10th to 25th September owing to inauspicious days, however bookings should continue for deliveries in Navratri starting 26th September.
- The momentum in **passenger vehicles** is extremely strong and should continue. Some softness is visible in the entry-level cars majorly due to rise in the CNG fuel prices and a trend shifting towards hot selling compact SUV segment. Customers are tilted more towards new launches, and popular cars are selling well. The supply situation is getting better with each passing month.
- Commercial vehicles** to restart its upcycle from September month onwards due to strong inquiry levels and restart of infrastructure & construction activities, which was paused due to rains. Financiers are easily disbursing loans.
- We remain neutral on **tractors** segment due to uneven distribution of rains & the impact of back-to-back tractor price increase is visible now. However, slight optimism is visible considering start of upcycle from Navratri onwards & crop prices are holding good.
- After two years of Covid affected festivals, we expect the ongoing festival to remain good across segments and chances of double-digit YoY growth is not ruled out for the ongoing 45 days of festivals. Urban zone is clearly leading ahead of rural, that should also pickup Navratri onwards.

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Market share trend (%) - SMIFS Institutional Research																	
Two-wheelers	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec-21	Nov-21	Oct-21	Sep-21	Aug-21	Jul-21	Jun-21	May-21	Apr-21
Hero MotoCorp	28.2%	31.7%	34.2%	37.6%	34.4%	32.3%	31.6%	30.8%	34.5%	37.0%	31.0%	30.2%	31.9%	35.5%	44.6%	47.0%	34.6%
HMSI	26.7%	26.0%	25.5%	23.8%	24.7%	24.3%	25.1%	25.4%	24.8%	27.6%	27.6%	26.3%	25.1%	24.5%	21.1%	19.1%	25.2%
TVS Motor	16.9%	16.4%	14.9%	13.9%	15.1%	15.7%	15.8%	16.1%	15.2%	14.9%	15.6%	15.4%	15.2%	14.6%	12.9%	14.0%	14.8%
Bajaj Auto	9.8%	9.3%	8.9%	10.1%	10.1%	10.7%	11.1%	11.7%	12.5%	11.3%	11.6%	12.7%	12.7%	12.1%	11.5%	11.1%	11.3%
Royal Enfield	4.6%	4.0%	3.8%	3.7%	3.9%	4.4%	4.5%	4.5%	3.5%	2.6%	3.0%	3.6%	3.7%	3.8%	3.9%	3.7%	4.9%
Yamaha	4.3%	4.1%	4.0%	3.8%	3.5%	3.6%	3.7%	3.9%	3.3%	3.2%	3.9%	4.4%	4.1%	3.6%	2.4%	2.2%	4.0%
Suzuki Motorcycle	5.0%	4.4%	4.5%	3.5%	3.8%	4.3%	4.5%	4.4%	3.7%	3.4%	4.8%	5.0%	4.6%	4.2%	2.7%	2.3%	3.9%
Piaggio Vehicles	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.4%	0.3%	0.3%	0.4%	0.4%	0.4%	0.3%	0.2%	0.2%	0.4%
Classic Legends	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.4%	0.3%	0.2%	0.2%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Hero Electric	1.0%	0.9%	0.6%	0.2%	0.6%	1.1%	0.8%	0.8%	0.5%	0.5%	0.6%	0.7%	0.5%	0.4%	0.1%	0.0%	0.1%
Okinawa Autotech	0.8%	0.8%	0.6%	0.8%	0.9%	0.7%	0.6%	0.6%	0.5%	0.4%	0.4%	0.4%	0.3%	0.2%	0.1%	0.1%	0.1%
Ather Energy	0.5%	0.1%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%	0.0%	0.0%	0.1%
PVs	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec-21	Nov-21	Oct-21	Sep-21	Aug-21	Jul-21	Jun-21	May-21	Apr-21
Maruti Suzuki	39.2%	39.2%	41.0%	42.0%	40.2%	41.1%	43.1%	46.8%	42.5%	41.9%	40.1%	42.4%	42.4%	43.5%	40.4%	42.5%	46.1%
Hyundai	15.7%	16.0%	14.2%	14.6%	14.4%	15.0%	14.9%	13.6%	15.8%	15.5%	17.0%	17.4%	17.4%	17.1%	18.7%	18.8%	16.1%
Tata Motors	13.8%	14.4%	14.2%	13.4%	13.8%	13.4%	13.8%	12.6%	12.7%	12.0%	11.3%	10.1%	10.1%	9.5%	11.1%	11.0%	9.2%
M&M	7.9%	7.7%	7.4%	7.5%	8.4%	8.3%	7.1%	7.2%	7.3%	7.4%	6.1%	6.4%	6.5%	6.3%	6.8%	6.5%	5.7%
Kia	7.1%	6.9%	7.1%	6.5%	6.4%	6.3%	5.6%	3.8%	5.0%	5.3%	6.2%	5.7%	5.5%	6.1%	8.1%	6.1%	5.6%
Toyota	5.4%	4.9%	4.6%	4.3%	4.8%	3.9%	3.1%	4.2%	4.5%	4.4%	4.6%	4.5%	4.3%	3.8%	2.9%	3.3%	4.2%
Renault	2.2%	2.1%	2.2%	2.4%	2.5%	2.4%	2.5%	2.8%	3.1%	3.7%	3.8%	3.4%	3.0%	3.0%	3.0%	2.9%	3.4%
Honda cars	2.3%	2.3%	2.6%	2.7%	2.6%	2.6%	3.2%	2.7%	2.8%	3.2%	3.7%	3.1%	2.5%	2.6%	2.6%	2.6%	2.6%
Ford	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.2%	0.5%	0.8%	1.4%	1.8%	1.5%	2.0%	2.0%
MG Motor	1.2%	1.2%	1.3%	1.0%	1.0%	1.3%	1.5%	1.3%	1.1%	1.1%	1.2%	1.2%	1.3%	1.4%	1.5%	1.4%	1.4%
Nissan	0.9%	0.9%	0.8%	0.8%	0.9%	1.0%	1.2%	1.2%	1.3%	1.3%	1.2%	1.2%	1.4%	1.4%	1.2%	1.2%	1.2%
Skoda + VW	2.4%	2.5%	2.7%	2.8%	2.9%	2.6%	2.2%	2.2%	2.1%	2.1%	2.2%	1.8%	1.8%	1.5%	1.0%	0.7%	1.2%
CVs	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec-21	Nov-21	Oct-21	Sep-21	Aug-21	Jul-21	Jun-21	May-21	Apr-21
Tata Motors	40.9%	40.5%	41.1%	41.4%	42.8%	43.3%	43.1%	44.4%	44.2%	43.8%	43.8%	41.8%	38.8%	36.7%	39.1%	41.9%	42.4%
M&M	24.8%	24.8%	23.6%	22.1%	21.5%	22.3%	22.0%	21.1%	20.7%	21.0%	18.2%	19.8%	24.8%	27.3%	25.7%	19.2%	19.0%
Ashok Leyland	15.2%	14.7%	14.9%	15.6%	15.7%	15.0%	15.1%	14.6%	13.4%	13.3%	13.8%	14.0%	13.3%	13.9%	12.8%	15.9%	15.9%
VECV	6.3%	6.8%	6.7%	6.8%	7.0%	5.9%	6.1%	6.4%	6.0%	6.5%	7.1%	6.4%	5.9%	5.4%	5.5%	5.3%	6.6%
Maruti Suzuki	4.0%	4.2%	4.0%	4.5%	4.5%	4.9%	5.1%	5.6%	6.3%	6.4%	6.7%	6.6%	6.9%	7.0%	5.0%	5.0%	4.8%
Daimler	1.5%	1.3%	1.6%	1.7%	2.0%	2.0%	2.3%	1.7%	1.9%	2.0%	2.1%	2.1%	1.6%	1.5%	2.1%	2.5%	2.4%
Force Motors	1.8%	1.7%	1.6%	1.7%	1.1%	0.8%	0.6%	0.8%	1.0%	1.1%	1.8%	1.4%	1.4%	1.4%	2.1%	3.6%	1.1%
SML Isuzu	1.3%	1.5%	1.4%	1.3%	1.0%	0.9%	0.8%	0.8%	1.0%	1.0%	1.1%	1.0%	0.9%	0.8%	0.8%	0.7%	1.0%
Others	4.4%	4.6%	5.1%	4.9%	4.5%	4.9%	4.9%	4.6%	5.5%	5.0%	5.5%	6.9%	6.4%	6.2%	6.9%	6.0%	7.0%
Tractors	Aug-22	Jul-22	Jun-22	May-22	Apr-22	Mar-22	Feb-22	Jan-22	Dec-21	Nov-21	Oct-21	Sep-21	Aug-21	Jul-21	Jun-21	May-21	Apr-21
M&M (Tractor)	23.5%	24.0%	23.0%	22.8%	22.1%	22.0%	22.6%	23.4%	24.0%	23.4%	23.5%	22.2%	22.1%	24.5%	22.3%	22.9%	21.1%
M&M (Swaraj)	16.5%	17.7%	16.8%	16.8%	16.7%	16.9%	16.7%	16.8%	16.8%	16.8%	15.8%	16.4%	16.0%	15.9%	16.2%	17.8%	16.3%
M&M - total	40.0%	41.7%	39.8%	39.5%	38.8%	38.9%	39.3%	40.3%	40.8%	40.2%	39.2%	38.7%	38.1%	40.4%	38.4%	40.6%	37.3%
ITL	11.6%	12.4%	12.1%	11.6%	12.0%	11.8%	12.7%	13.7%	12.4%	12.2%	11.5%	12.3%	11.4%	11.1%	12.8%	13.3%	12.3%
Escorts	9.9%	10.6%	10.6%	11.1%	10.4%	10.3%	10.0%	9.9%	10.1%	9.7%	9.5%	10.4%	10.4%	10.7%	12.4%	10.5%	11.9%
TAFE	13.1%	11.1%	12.9%	13.0%	11.4%	11.0%	11.1%	9.8%	11.8%	11.9%	11.5%	11.6%	12.0%	12.2%	12.4%	11.4%	11.8%
John Deere	7.6%	7.5%	7.9%	7.4%	8.6%	8.7%	8.8%	8.8%	7.7%	8.3%	9.7%	9.0%	7.6%	7.4%	7.3%	7.9%	8.4%
Eicher Tractors	5.5%	6.0%	5.7%	5.7%	6.5%	6.3%	5.5%	6.5%	6.4%	6.3%	5.8%	5.2%	6.0%	6.5%	5.9%	5.2%	5.8%
CNH Industrial	3.9%	3.4%	3.7%	4.3%	3.9%	3.8%	4.1%	4.0%	3.6%	3.7%	4.0%	4.1%	3.9%	3.6%	4.3%	3.6%	4.8%
Kubota	2.7%	2.3%	2.5%	2.2%	2.4%	2.5%	2.7%	2.4%	2.2%	2.3%	2.5%	2.5%	2.3%	2.4%	1.5%	1.2%	1.6%
VST	0.8%	0.6%	0.6%	0.7%	0.7%	0.9%	0.8%	0.7%	0.8%	0.8%	0.9%	1.0%	1.7%	1.1%	0.6%	0.5%	0.7%

Key highlights of August 2022 sales and market share trend

- In **two-wheelers**, Hero MotoCorp is clearly losing its market share due to softness in rural and stiff competition from other major players. All key competitors viz. HMSI, TVS Motor, Bajaj Auto, Royal Enfield, Yamaha and Suzuki gained market share on a MoM basis.
- In **passenger vehicles**, supply situation and new launches are driving the market share. Maruti Suzuki maintained its share MoM, should possibly increase its share going ahead due to good bookings in the new Brezza & Grand Vitara models. Gainers in August on a MoM basis are M&M, Kia, Toyota and Renault. On the losing side, Tata Motors and Hyundai lost its share possibly due to no major launches, shift of consumers towards competitors' new launches and not much improvement on the supply side.
- In **commercial vehicles**, the trend towards MHCV is strong, hence Tata Motors and Ashok Leyland were in the gaining list. A trend change back from CNG to diesel segment and little higher discounting in the weak months impacted VECV's market share MoM. While, M&M maintained its share.
- It was one of the weakest month for **tractor** players. Among large players, TAFE is clearly leading the pack with a handsome gain in the market share, followed by Kubota. While, a loss in the share is visible in M&M, Escorts, ITL, Eicher Tractors.

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