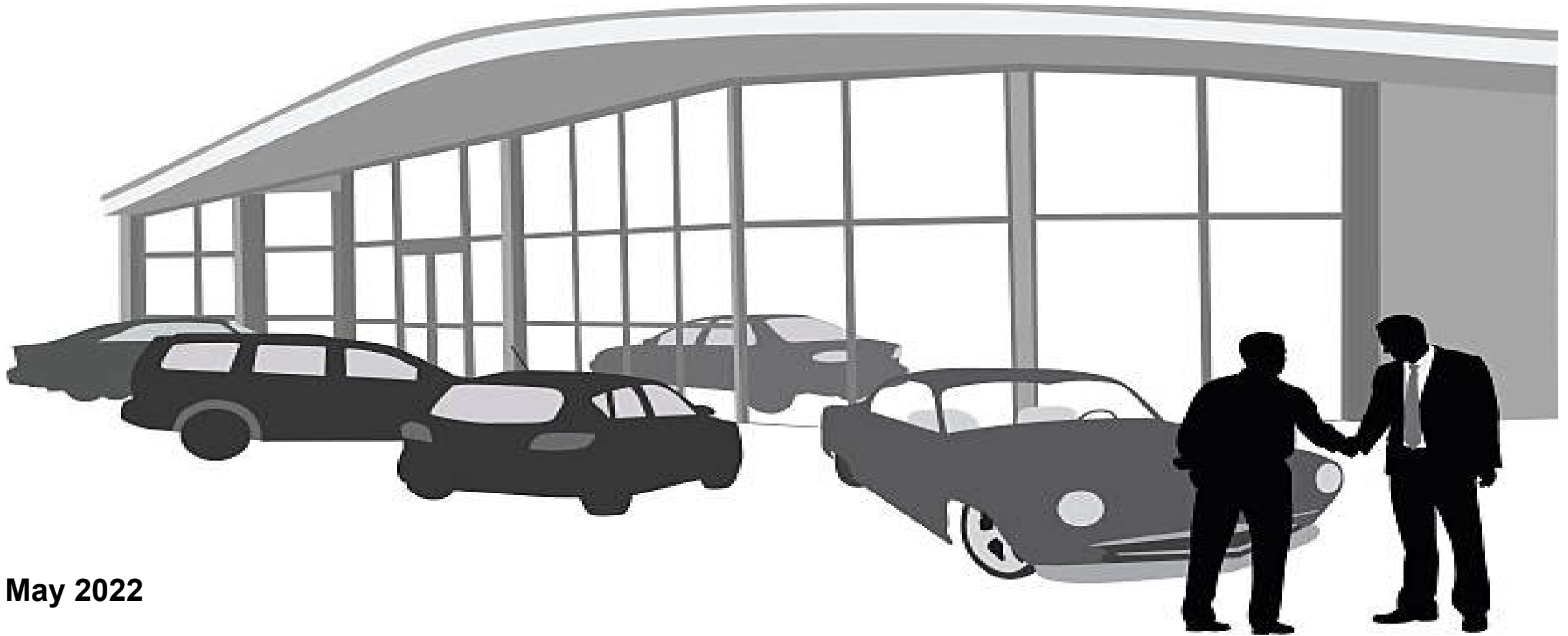


Monthly trend – Retail versus off-take

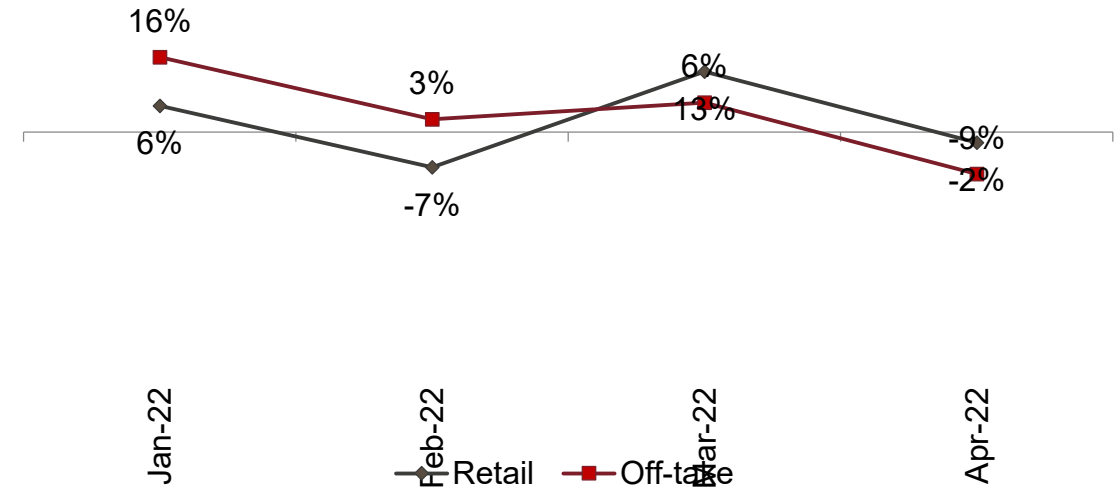
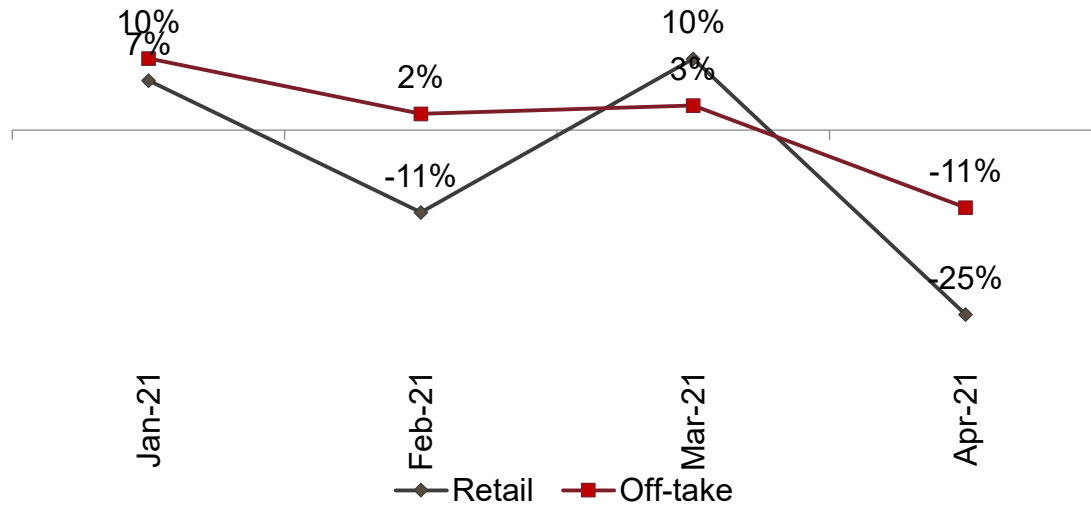


May 2022

Research

Wholesale volumes decreased by 9% m-o-m

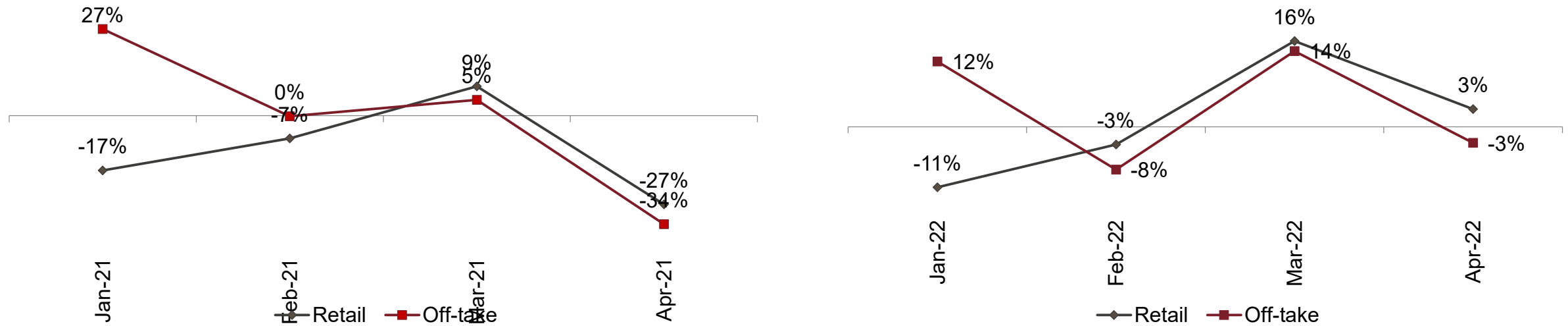
Passenger vehicle - Retail vs off-take (growth m-o-m)



- Offtake declined by 9% m-o-m as compared to March 2022.
- Dealer inventory is currently estimated to be at 16-21 days as of April 2022.
- Retail demand has been declining on account of high fuel prices and weaker demand sentiments

Two-wheeler wholesale volumes witness marginal sequential decline in April 2022

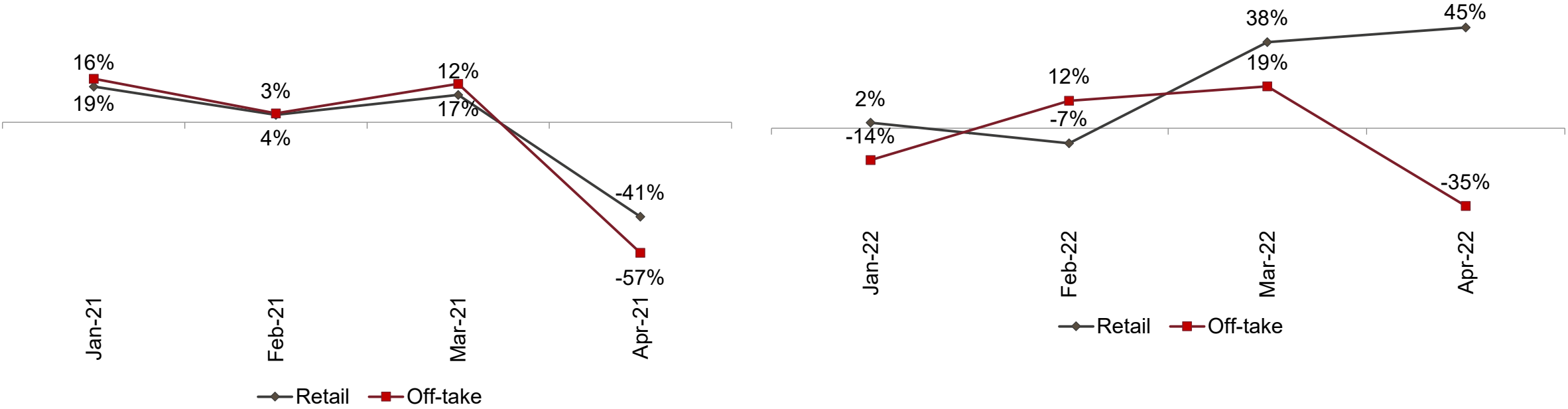
Two-wheeler - Retail vs off-take (growth m-o-m)



- Wholesale offtake of leading two-wheeler improved by 15% on-year but declined by 3% sequentially in April 2022.
- Dealer level inventory increased again during the month to 38-42 days, which pushed wholesale volumes to witness a sequential decline.
- April witnessed a price hike in the tune of 1.5-2% in the second week. Footfalls dropped from the third week post the price hikes. Retail registration of two wheelers in April 2022 also remained muted with a marginal sequential growth of 3%.
- Vehicle price hikes and soaring petrol prices to keep the overall two-wheeler market under pressure.

Three-wheeler off-take continues to grow on a low base

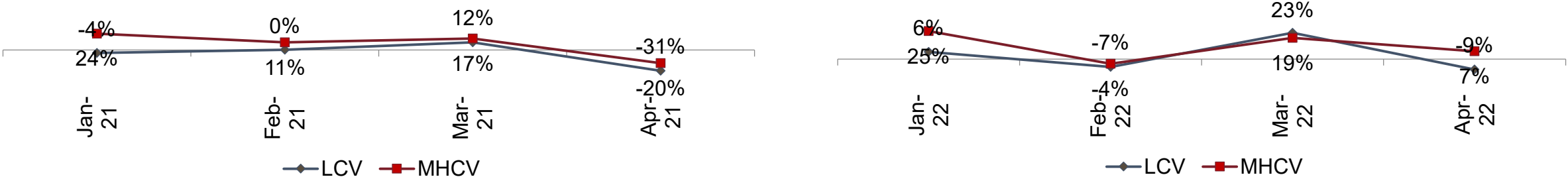
Three-wheeler - Retail vs off-take (growth m-o-m)



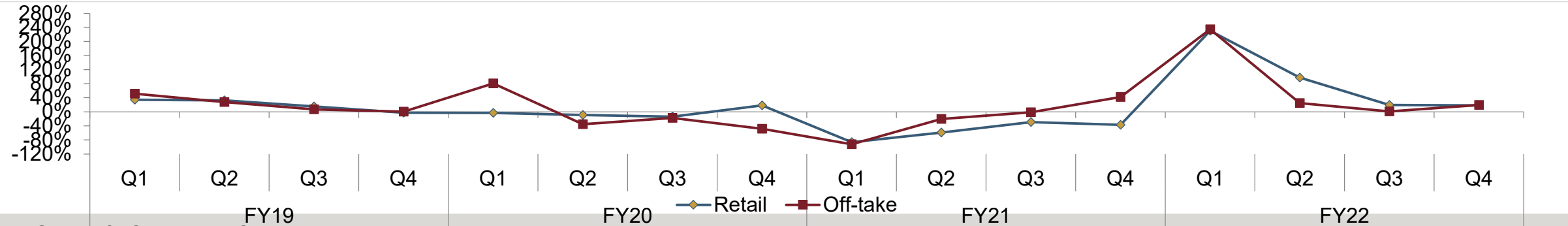
- April 2022 retail grew by 45% m-o-m.
- With vaccination pace improving remarkably, usage of public transport is expected to increase.
- As schools, colleges and workplaces are opening, demand for three-wheeler is also gradually increasing.

Volumes declined in April 2022 in-line with seasonality

Commercial vehicle – LCV & MHCV retail (growth m-o-m)



CV - Retail vs off-take (growth y-o-y)



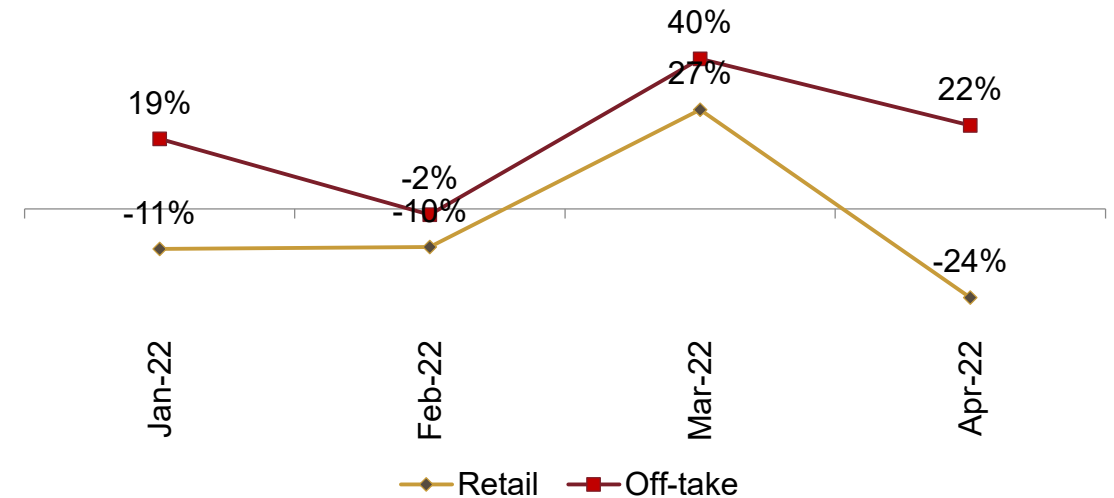
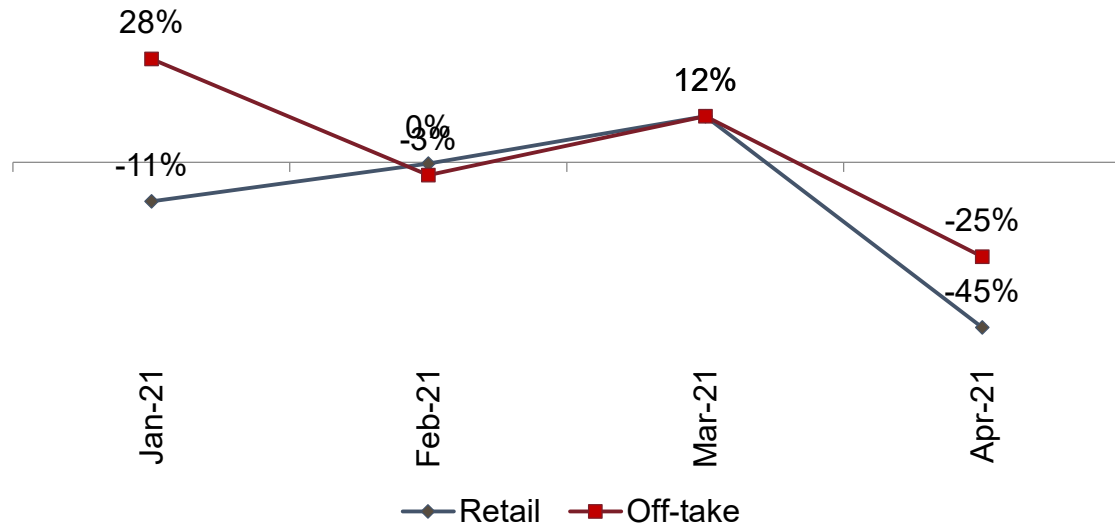
- Sales of LCV and MHCV both declined sequentially in April 2022 in-line with seasonality trends.
- Wholesale offtake of goods carrying commercial vehicle in the month of April 2022 is estimated to have improved due to base effect. however, volumes m-o-m on a sequential basis on account of seasonality.
- With diesel prices at record highs, supply of CNG vehicles are not able to meet the demand.
- Tight liquidity and unavailability of finance for customers who availed moratorium are also acting as sales barrier
- Buses as a category is yet to see revival in demand.

NOTE: Monthly off-take numbers are not reported by CV players from fiscal 2021 onwards

Source – MoRTH, SIAM, CRISIL Research

Domestic tractor demand increased sharply in April 2022

Tractor - Retail vs off-take (growth m-o-m)



- Tractor domestic sales increased by ~40.6% on-year in April'22 after registering a 14% decline in March 2022.
- After remaining subdued from November 2021, tractor sales picked up in the beginning of the new fiscal.
- Positive retail sentiments owing to better rabi harvest as well as healthy prices for cash crops, oilseeds and wheat crop.
- Higher prices of imported edible oils has further contributed towards increased prices for domestic oilseeds thereby contributing towards demand.

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