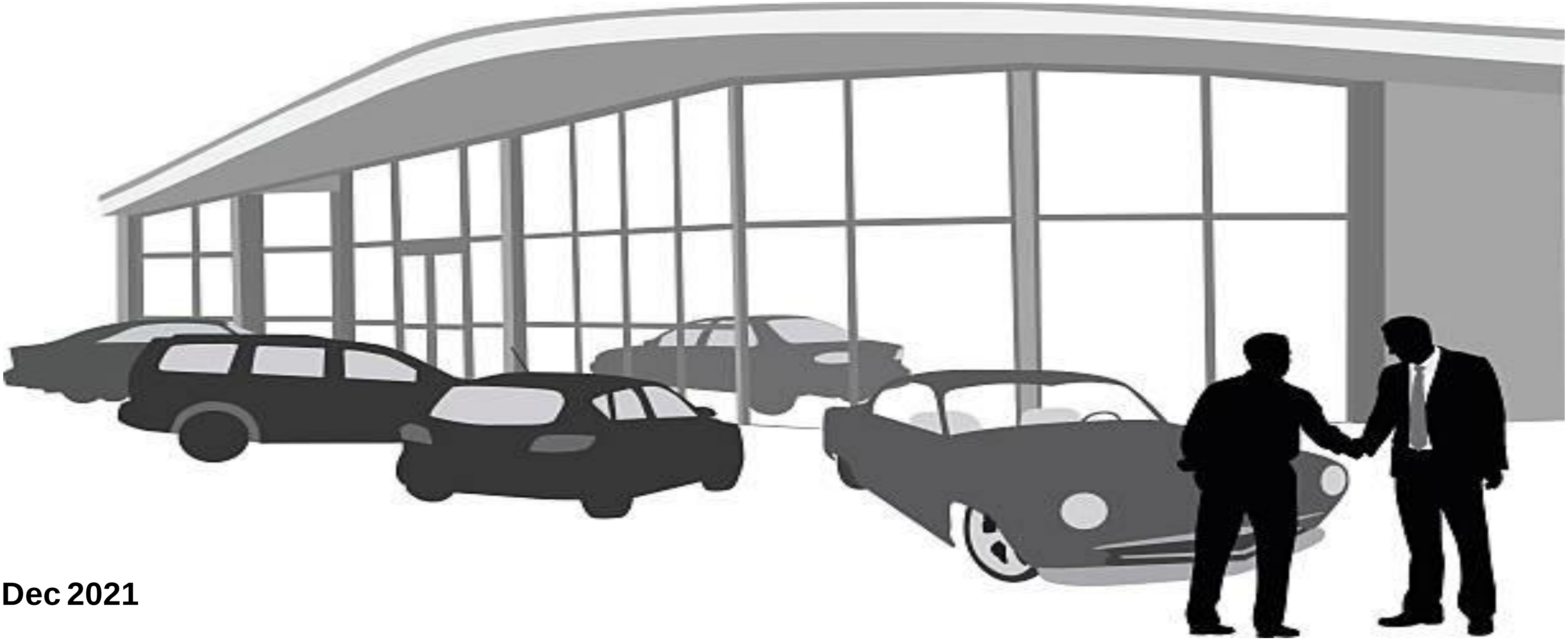
Monthly trend – Retail versus off-take



Dec 2021

Research

Automotive Component Manufacturers Association of India

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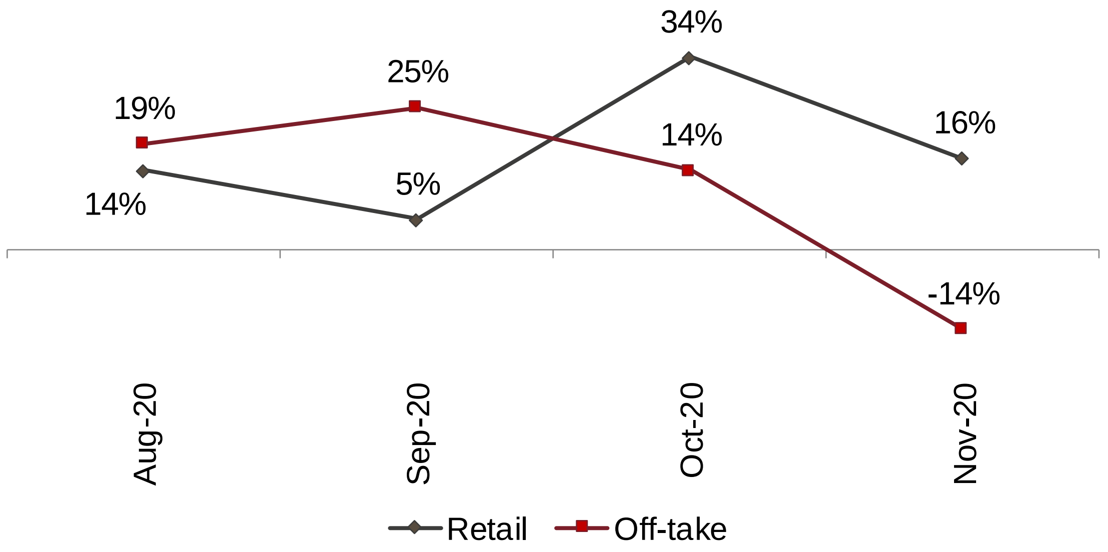
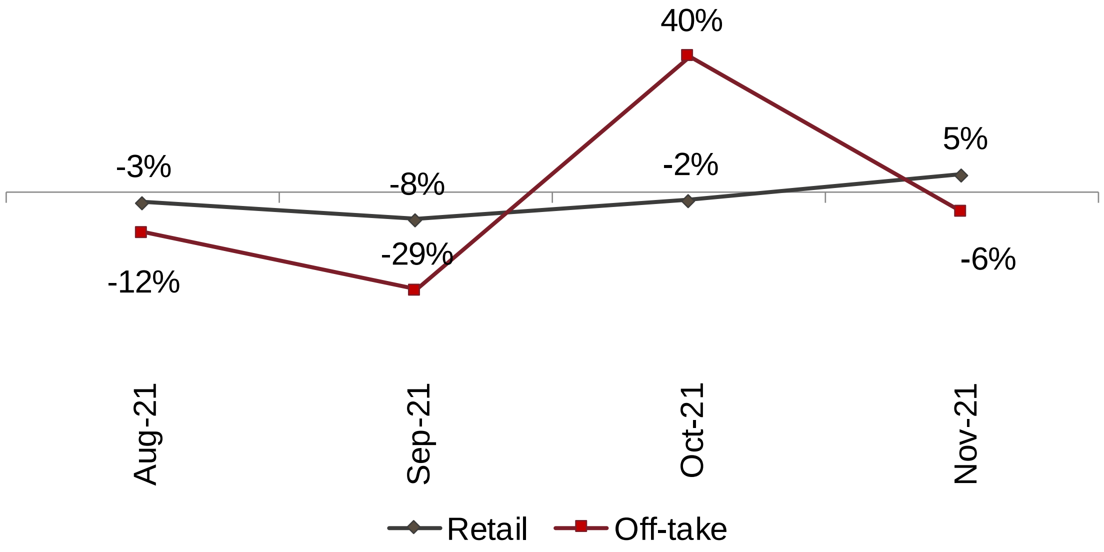
Supply constraint persists in PV industry

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





- Post festive, offtake declined by 6% m-o-m as compared to Oct 2021.
- New model launches has garnered the consumer interest, however supply constraint still persists.
- Crisis due to semi-conductor shortage aggravated during the festive season when in spite of an above healthy demand, industry could not cater to customer's need as SUV, compact UVs and luxury categories witnessed huge shortage of vehicles. On the other hand, entry level cars saw subdued demand as customers in this category continued to conserve money due to their families healthcare needs.
- Dealer inventory continues at 10-15 days.

Research

Source – MoRTH, SIAM, Tata Motors, CRISIL Research

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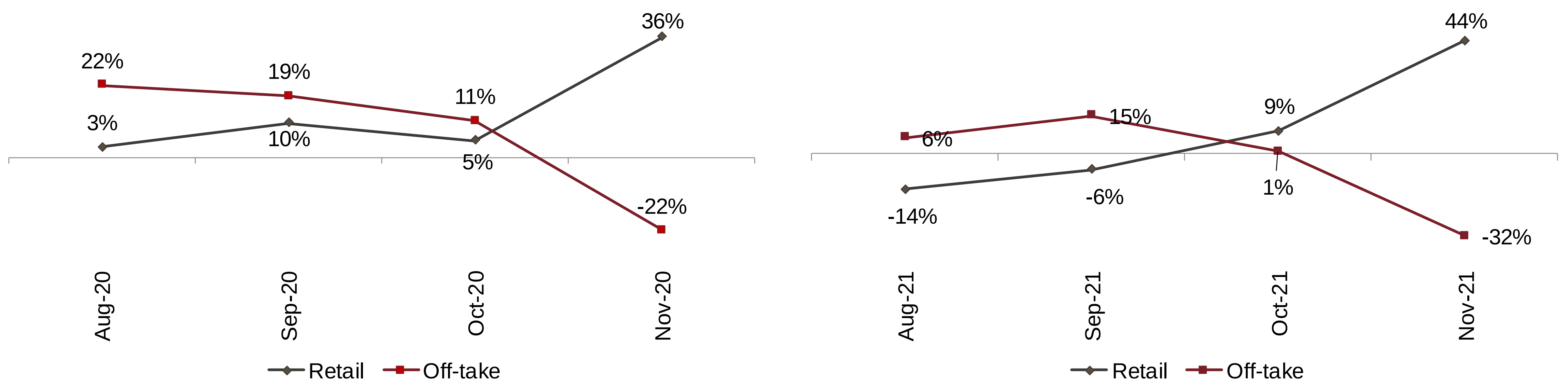
Two-wheeler Retail > Wholesale in Nov 2021

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

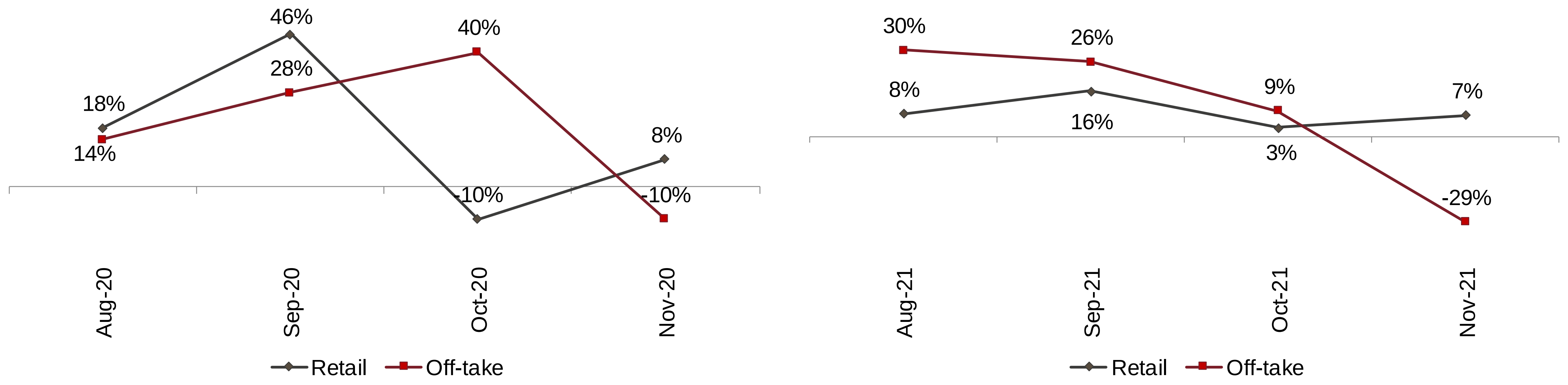


- High dealer inventory, production cuts by OEMs and semiconductor shortage kept the two-wheeler wholesales under pressure in the month of Nov 2021 as compared to same month last year. Wholesale volume declined by 34% yoy in Nov 2021.
- Retail registration of two wheelers bounced back in Nov 2021, witnessing a growth of 44% sequentially, which is expected to have helped to liquidate the existing higher inventory at dealerships. However, on-year basis retail sales have been flat.
- Crop loss due to incessant rains and flood in southern states, high acquisition price as well as fuel costs kept the two-wheeler customers away

Source – MoRTH, SIAM, CRISIL Research

Three-wheeler retail continues to grow on a low base

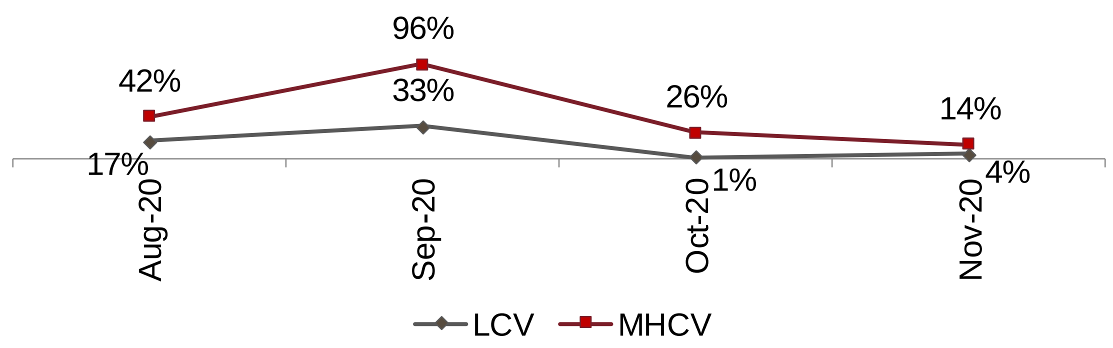
Three-wheeler - Retail vs off-take (growth m-o-m)

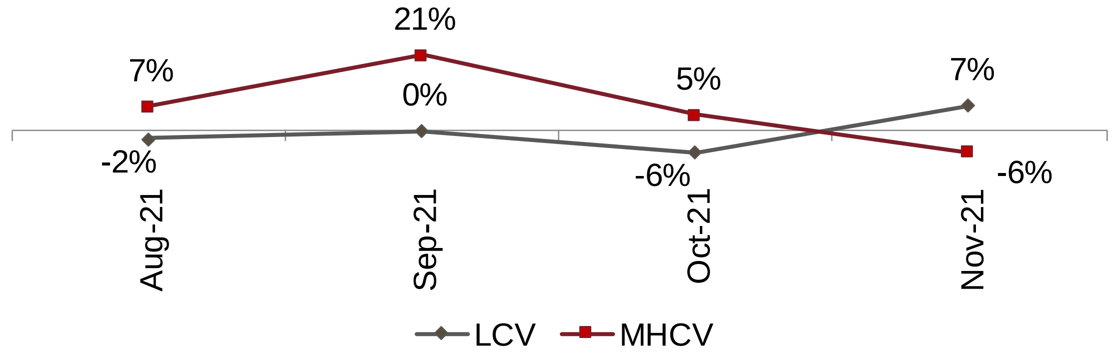


- Nov 2021 wholesale witnessed a decline of 29% m-o-m; however retail continues to grow at 7% m-o-m.
- With vaccination pace improving remarkably, usage of public transport is expected to increase.
- As schools, colleges and workplaces are opening up, demand for three-wheeler is also gradually increasing.
- Third wave of Covid remains a key monitorable.

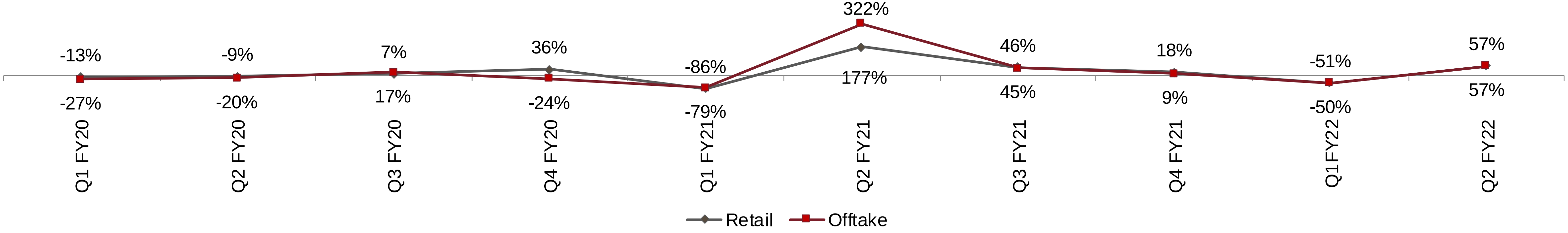
Seasonality and chip shortage limits LCV sale

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





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

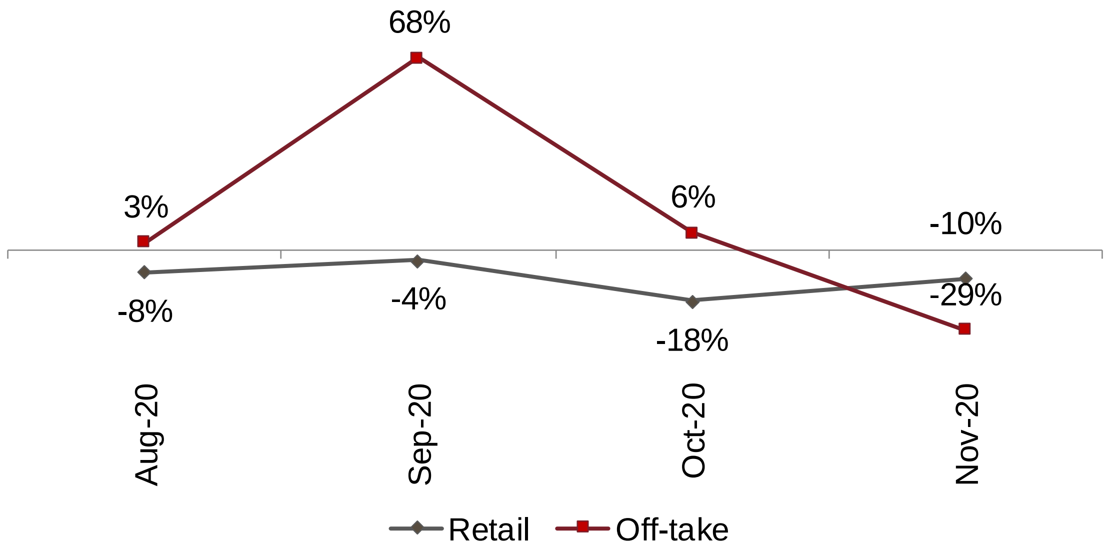


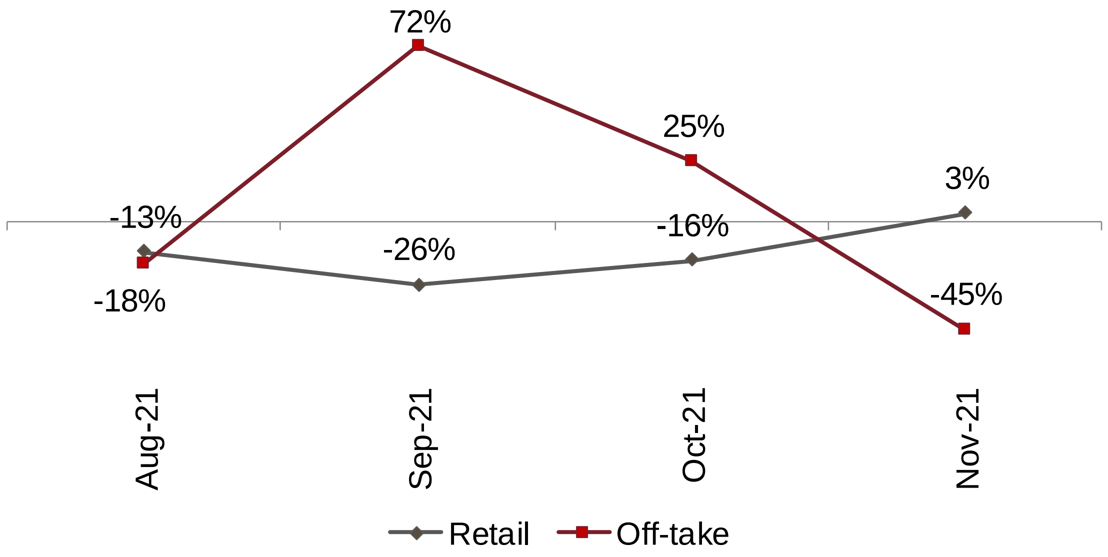
- Due to the base effect, MHCV sees a growth of 54% yoy (decline by 6% m-o-m) whereas LCV declined by 7% yoy (grown by 7% m-o-m).
- With diesel prices at record highs, supply of CNG vehicles are not able to meet the demand.
- Tight liquidity and unavailability of finance for customers who availed moratorium 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

Tractor wholesale volume sees a decline in Nov 2021

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





- Tractor wholesale sales have dropped by more than 23% yoy (45% decline m-o-m) in Nov 2021 after registering a 0.4% growth in Oct 2021.
- Erratic rainfall in many states, delayed harvesting, lower cash in hand of the farmers coupled with lower commercial demand have impacted sales negatively for the month. Coupled with high inventory at dealer end, wholesale volume registered a decline.
- Slower commercial demand, delayed harvesting and increase in other expenditure (such as marriages and social events) have led to drop in retail sales

Research

Source – MoRTH, Industry, CRISIL Research

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