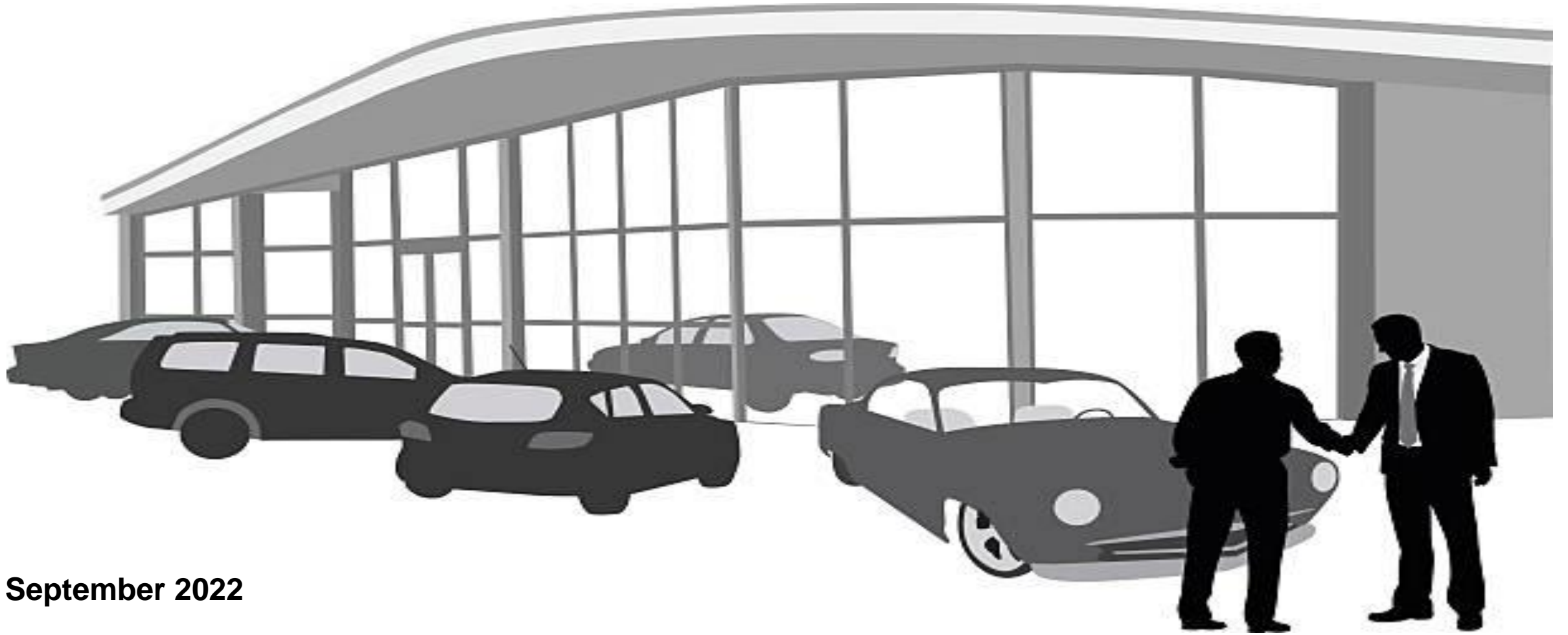


# Monthly trend – Retail versus off-take

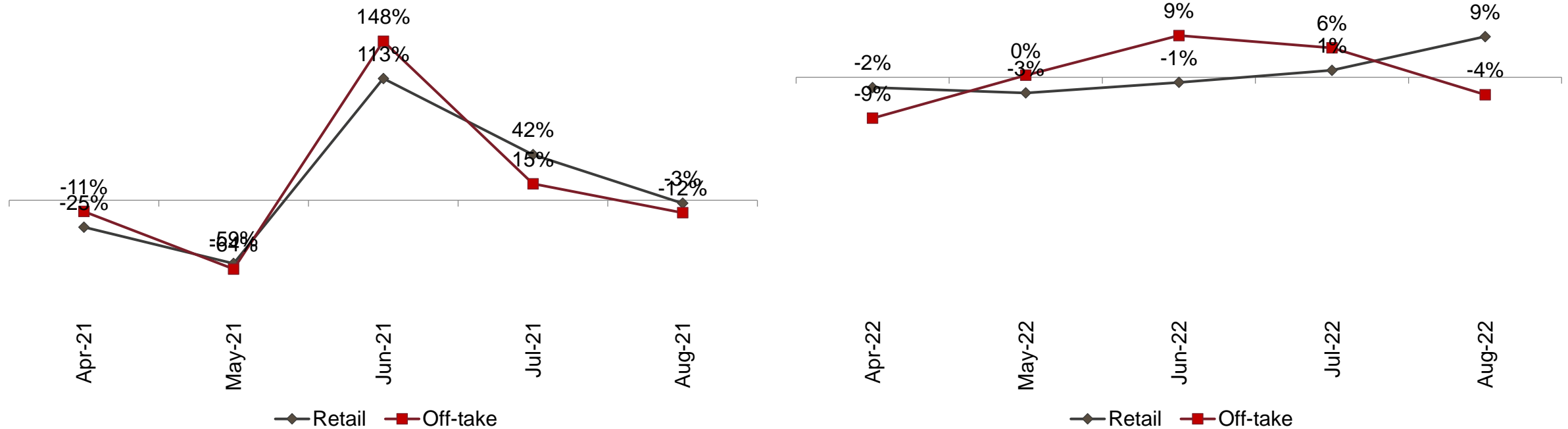


September 2022

Research

# Wholesale volumes grew by 26% on-year aided by high inventory build up

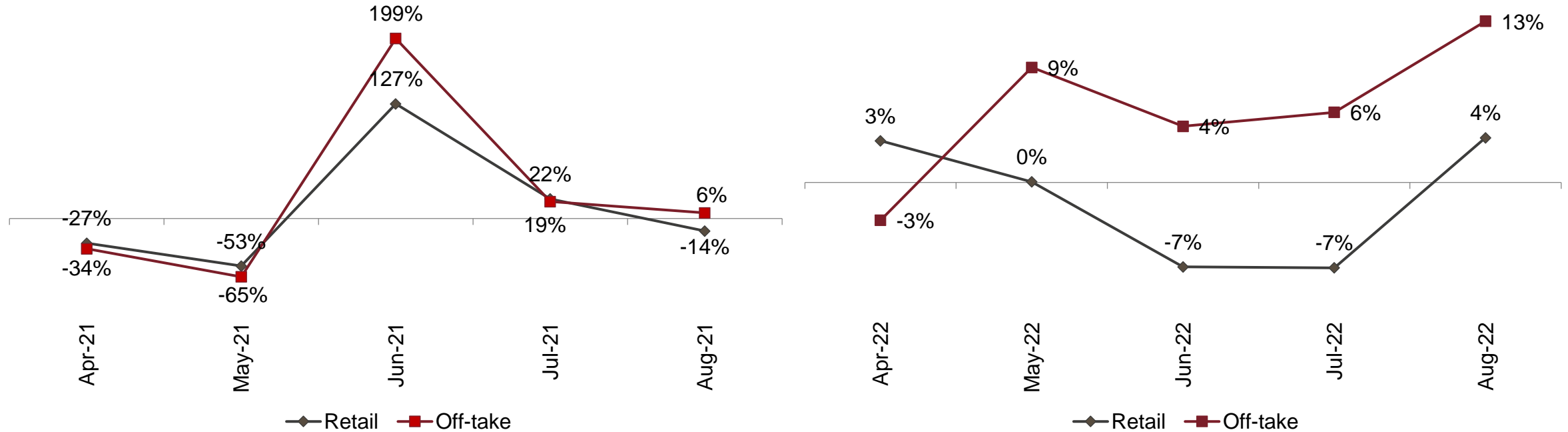
Passenger vehicle - Retail vs off-take (growth m-o-m)



- The passenger vehicle industry is estimated to have witnessed a 4% month-on-month decline and 16% on-year growth in August 2022 due to robust retail demand and production recovery aided by better availability of semiconductor as well as inventory build-up ahead of upcoming festive season.
- Retail sales have witnessed a growth of 10% on-year and grew 9% month-on-month.
- Consequently, dealer inventory is currently estimated to be at 19-24 days as of August 2022.

# Two-wheeler wholesale volumes grew by 13% sequentially in August 2022

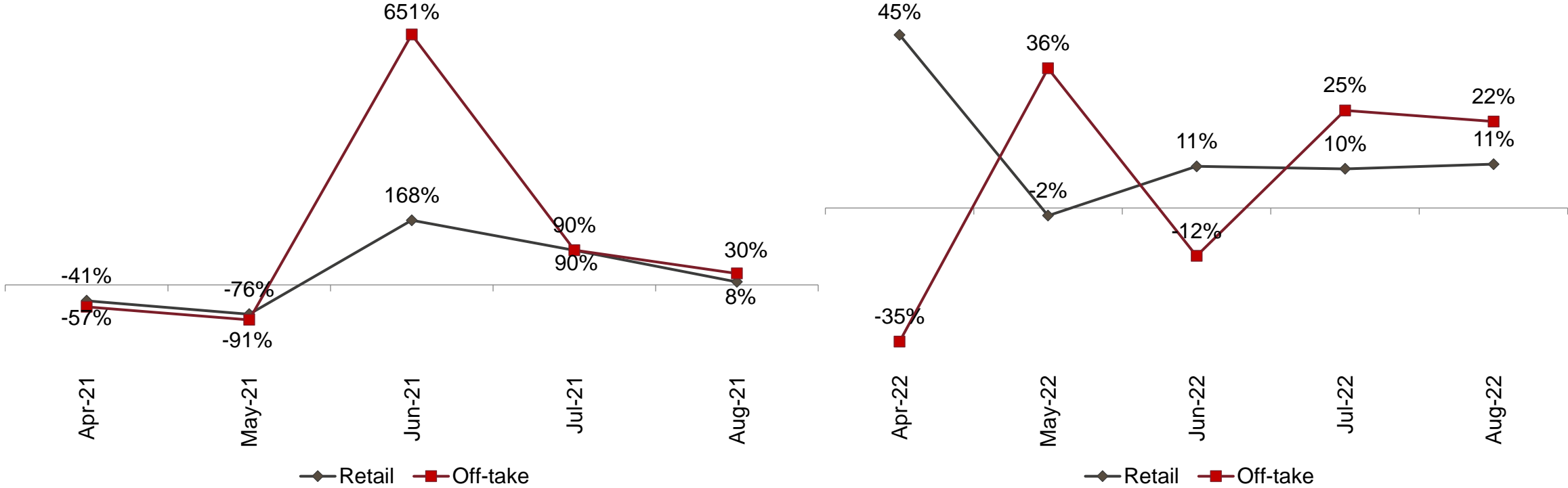
Two-wheeler - Retail vs off-take (growth m-o-m)



- Wholesale offtake of leading two-wheeler manufacturers, who account for over 94-96% of overall domestic volumes, improved 13% sequentially in August 2022. Retail sales also witnessed a growth of 4% on a m-o-m basis.
- This sequential growth can be attributable to improving component supply as well as OEMs building up inventory in light of the upcoming festive season, which traditionally sees healthy retail demand. Inventory levels in the preceding months had fallen to 40-50% of the previous year as companies had cut back on production due to depressed retail sales and auto-component shortages.

# Three-wheeler Off-take continues to grow on a low base

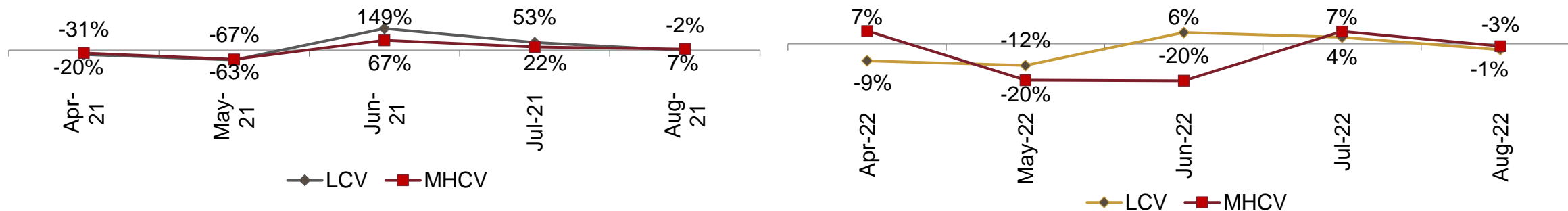
Three-wheeler - Retail vs off-take (growth m-o-m)



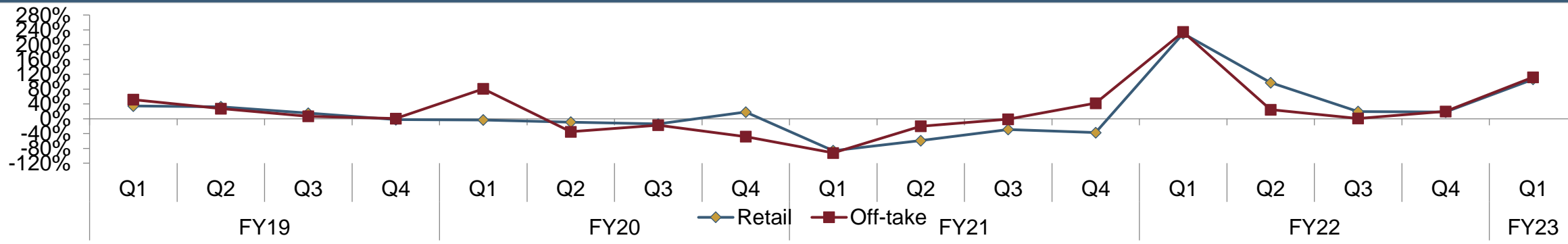
- August 2022 off take grew by 65% on year
- With vaccination pace improving remarkably, usage of public transport is expected to increase.
- As schools, colleges and workplaces are opening, demand for three-wheeler is also gradually increasing.

# Retail & offtake showing recovery on sequential basis

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



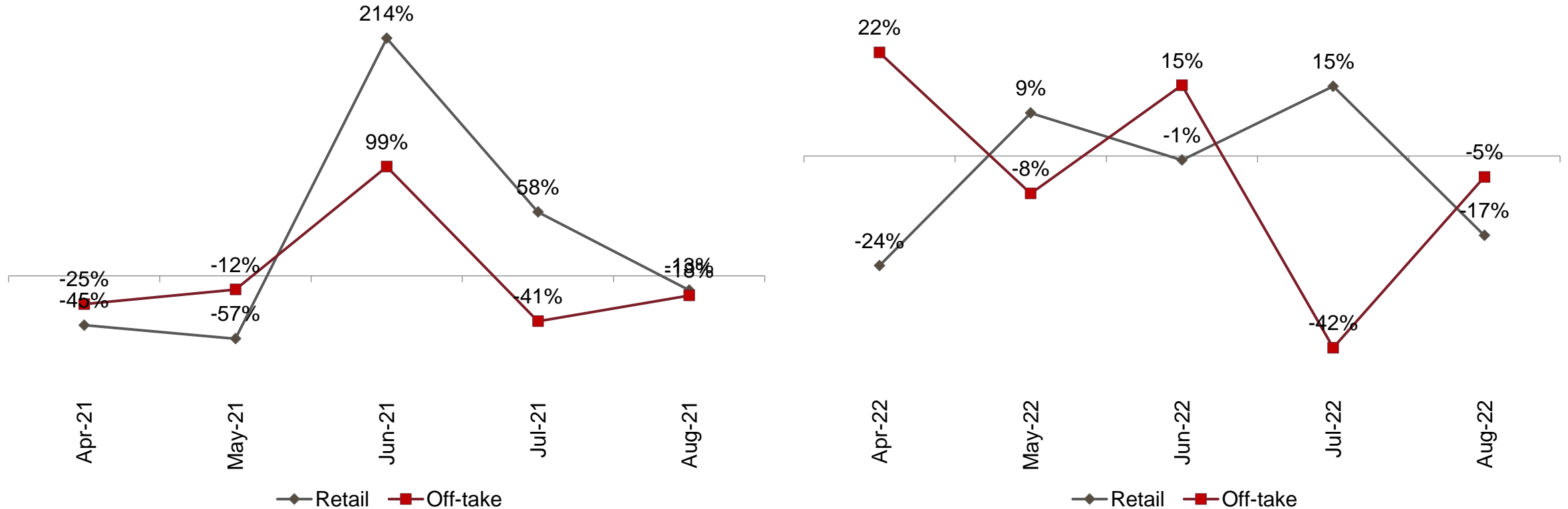
CV - Retail vs off-take (growth y-o-y)



- The commercial vehicle (CV) industry is off to a very strong start with an impressive 77% growth on-year during April-August 2022.
- Industry volumes improved significantly in August 2022 on year, over a low base of previous fiscal
- Retail sales in the month of August 2022 to have slowed down as compared to the previous months.
- Wholesale volumes are expected to show robust growth, in-line with inventory build-up ahead of festive season; however, significant recovery to be restricted as infrastructure activities typically undergo a slowdown in the second quarter of the fiscal on account of rainfall.

# Tractor wholesale volume marginally declined on-year in August 2022

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



- Tractor domestic sales declined by ~2% on-year in August'22.
- After registering healthy growth in Q1 FY23, domestic sales declined in August 2022 due to lower retail sentiments amid higher inventory levels across state.
- Uneven monsoon spread across the country led to damage in kharif crops further contributing towards slower retail momentum.

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