

Sector Call

Overweight

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Urea Sales are expected to decline by 5% YoY in Sep'23

Pakistan Urea sales in Sep'23 are expected to clock in at 627K tons, down by 5% YoY compared to 552K tons in Sep'22. Similarly, Urea sales are expected to be down by 19% MoM, compared to 650K tons in Aug'23, due to seasonality factor.

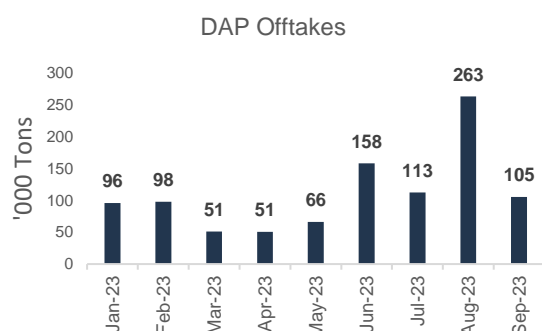
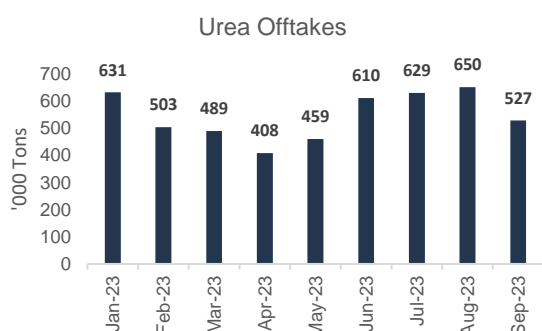
Cumulatively, in 9MCY23 urea sales are expected to clock in at 4,908K tons, up by 3% YoY compared to 4,770k tons in 9MCY22.

Fauji group is likely to record offtakes of 250K tons followed by 158k tons of Engro Fertilizers, 86K tons of Fatima Group (FATIMA) and Agritech (AGL) of 33K tons in Sep'23, respectively.

This will take closing inventory of Urea to 82K tons in Sep'23.

Whereas, total DAP sales are anticipated to clock in at around 105K tons, witnessing a substantial upside of 67% YoY in Sep'23. However, DAP sales will likely to down by 60% MoM in Sep'23. The YoY increase in DAP sales is likely attributed to slow down in int'l prices along with low base affect.

As per our estimates, FFC group will likely to record DAP sales of 76K tons followed by sales of EFERT to 23K tons, respectively.



Period	Sep-23E	Sep-22A	YoY	Aug-23A	MoM	9MCY23	9MCY22	YoY	Current Inventory
Urea:									
FFC	250	201	24%	236	6%	1,932	1,795	8%	28
EFERT	158	164	-4%	231	-32%	1,690	1,522	11%	10
FATIMA Group	86	79	9%	121	-29%	644	727	-11%	39
AGL	33	29	14%	49	-33%	193	258	-25%	5
Industry	527	552	-5%	650	-19%	4,908	4,770	3%	82
DAP:									
FFC	76	24	217%	212	-64%	697	438	59%	11
ENGRO	23	19	21%	32	-28%	163	156	4%	1
Others	7	19	-63%	19	-63%	141	145	-3%	8
Industry	105	63	67%	263	-60%	1,000	739	35%	20

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