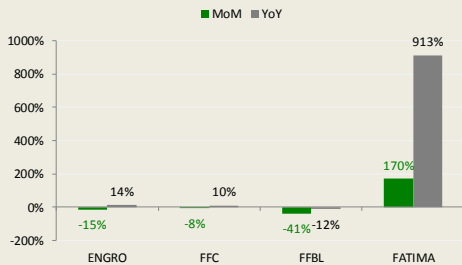




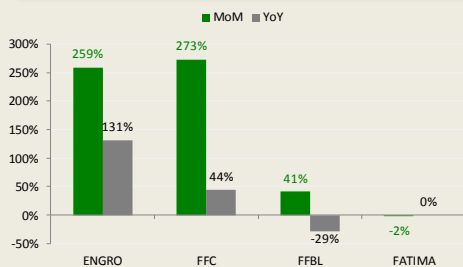
# Monthly Update

Fertilizer's off-take Review

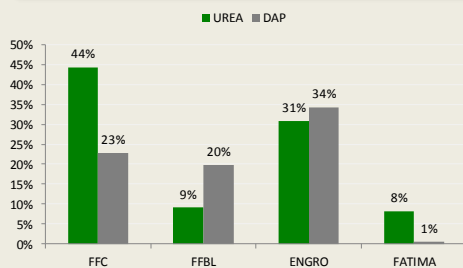
## Urea Sales in Oct'18



## DAP Sales in Oct'18



## Market Share in Oct'18



## Urea off-takes Upsurge by +24%YoY in Oct'18

According to statistics released by NFDC of fertilizer off-takes for the month of Oct'18, in which the total fertilizer sales clocked in 1,112kt, up +21%YoY, as compared to corresponding period last year in which the volumetric sales were 917kt. On the other hand, total urea off-takes witnessed an increase of 24%YoY to 465kt in Oct'18 versus 375kt in Oct'17 due to lower inventory level coupled with demand amidst Rabi season. However on monthly basis, the total sales of Urea shrunk by -4%MoM while DAP, NP, CAN and NPK inched up by +162%MoM +548%MoM, +89%MoM, and +21%MoM. DAP's off-takes upsurge by +35%YoY/+162%MoM on the back of higher demand in the upcoming season.

FFC was the main contributor in total urea off-takes with sales of 206kt, up -10%YoY in Oct'18 and 2,062kt, up +12%YoY in 10MCY18. EFERT was the second main contributor in the total urea's volumetric sales with 143kt, up 14%YoY in Oct'18 and 1,643kt, up +10%YoY in 10MCY18. Whereas, FATIMA and FFBL bring about to sales volume of 38kt and 42kt of urea in Oct'18, an enormous uptick in growth of FATIMA i.e. +913%YoY and fall in FFBL i.e. -12%YoY respectively.

As far as urea market share is concerned, FFC dominates in market share with 44% market share in Oct'18, followed by EFERT, FFBL and FATIMA with 31%, 8% and 8% market share. On the contrary major market share of DAP is captured by EFERT with 34% market share, followed by FFC, FFBL and FATIMA with 23%, 20% and 1% market share.

### PAKISTAN FERTILIZER OFF-TAKE (OCT-2018)

'000 Tons	INDUSTRY							
	Oct-18	Sep-18	MoM%	Oct-17	YoY %	10M-CY'18	10M-CY'17	YoY %
UREA	465	482	-4%	375	24%	4,604	4,542	1%
DAP	521	199	162%	387	35%	1,783	1,726	3%
NP	47	7	548%	85	-44%	392	579	-32%
CAN	35	18	89%	33	5%	541	568	-5%
NPK	12	10	21%	10	28%	62	58	7%
<b>TOTAL</b>	<b>1,112</b>	<b>744</b>	<b>49%</b>	<b>917</b>	<b>21%</b>	<b>7,533</b>	<b>7,600</b>	<b>-1%</b>

### ENGRO FERTILIZER

UREA	143	168	-15%	125	14%	1,643	1,421	16%
DAP	178	50	259%	77	131%	499	383	30%
NP	5	0	2457%	4	31%	40	52	-23%
NPK	12	10	21%	10	28%	62	55	13%

### FAUJI FERTILIZER

UREA	206	225	-8%	187	10%	2,062	1,838	12%
DAP	119	32	273%	83	44%	420	420	0%

### FAUJI FERTILIZER BIN QASIM

UREA	42	72	-41%	48	-12%	453	392	16%
DAP	103	73	41%	146	-29%	523	571	-8%

### FATIMA FERTILIZER

UREA	38	14	170%	4	913%	398	303	31%
NP	42	7	497%	63	-33%	339	329	3%
CAN	31	12	159%	18	71%	438	423	4%
DAP	3	3	-2%	0	N/M	19	42	-55%

SOURCE: NFDC / Darson Research

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Data Sources: NFDC & DSL Research



## Notified Research Entity

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- If;
- **Expected return >15%** - Buy Call
  - **Expected Return is in between 0% to 15%** - Neutral/Hold Call
  - **Expected Return <0%** - Sell Call

#### Valuation Methodology

To arrive at our period end target prices, DSL uses different valuation methodologies including:

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

SECP JamaPunji Portal link: [www.JamaPunji.pk](http://www.JamaPunji.pk)

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