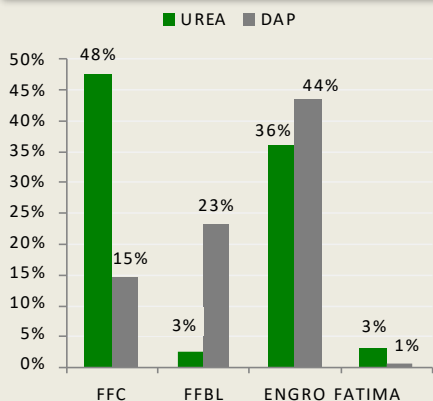


Fertilizer Off-takes (Mar'19)

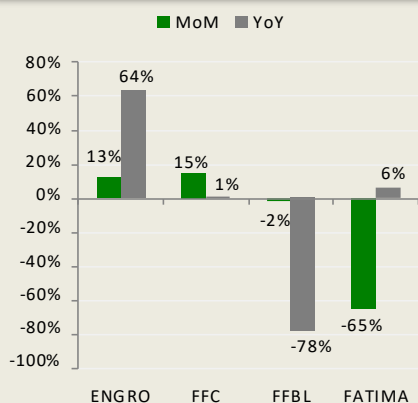
Monthly Review



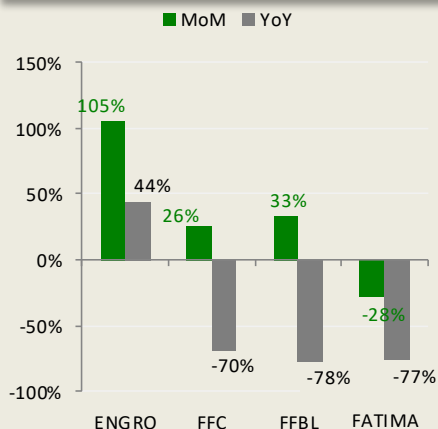
Market Share (%) – Mar'19



Company-wise Urea Off-take



Company-wise DAP Off-take



Fertilizer Off-take Declined by 6%YoY

As per data released by National Fertilizer Development Center (NFDC) total fertilizer offtake for Mar'19 declined by 6% YoY whereas on MoM basis offtakes increased by 4% to reach at 540KT. Nutrient wise, Urea/NPK offtakes escalated by 19/44% while DAP/NP/CAN offtakes decreased by 56/45/24% YoY.

Higher urea offtake is owned to ending Rabi season as farmers apply urea nutrient to crops 2 to 3 weeks before harvesting. DAP offtake decline is attributable to higher prices and ending Rabi season as DAP requirement is minimal.

Company wise, EFERT lead the industry by posting double digit growth across all the nutrients except NP, whereas FFBL remained laggard by posting 78% YoY decline in offtakes owing to constrained production amid annual turn around during last month. FFC urea offtake posted meagre 1% YoY increase while DAP offtake decreased by massive 70% YoY. FATIMA urea offtake grew 6% YoY while DAP offtake slumped 77% YoY.

Urea production for the month remained 491kt as compared to 450KT SPLY, up by 10% whereas DAP production stood at 75KT as compared to 71KT SPLY, up by 5%.

Urea closing inventory for the month stood at 135KT, up by 80KT as compared to last month. DAP closing inventory for the month stood at 599KT, up 91KT as compared to last month.

We believe fertilizer offtake to gain momentum as Kharif season starts where urea and DAP nutrient is applied at the time of sowing.

Fertilizer Sector Sales Performance – Mar'19

Tons'000	INDUSTRY							
	Mar-19	Feb-19	MoM%	Mar-18	YoY%	3MCY'19	3MCY'18	YoY%
UREA	408	388	5%	342	19%	1,360	1,251	9%
DAP	65	49	35%	150	-56%	189	365	-48%
NP	17	16	8%	31	-45%	87	119	-27%
CAN	22	46	-52%	29	-24%	146	176	-17%
NPK	11	7	68%	8	44%	21	19	12%
TOTAL	540	520	4%	572	-6%	1,854	1,965	-6%

ENGRO FERTILIZER								
UREA	147	131	13%	90	64%	438	497	-12%
DAP	29	14	105%	20	44%	77	54	43%
NP	3	2	62%	6	-56%	9	11	-16%
NPK	11	7	68%	8	44%	21	19	12%

FAUJI FERTILIZER								
UREA	194	170	15%	193	1%	560	573	-2%
DAP	10	8	26%	31	-70%	22	105	-79%

FAUJI FERTILIZER BIN QASIM								
UREA	10	11	-2%	47	-78%	24	88	-73%
DAP	15	12	33%	70	-78%	38	142	-73%

FATIMA FERTILIZER								
UREA	12	36	-65%	12	6%	129	86	50%
NP	14	13	7%	23	-39%	76	101	-25%
CAN	21	44	-54%	20	5%	142	159	-10%
DAP	0	1	-28%	2	-77%	3	2	13%

SOURCE: NFDC / DarsonResearch

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Notified Research Entity

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Rating System:

- | | |
|---|---------------------|
| 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

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