

Fertilizer Offtakes – Jun'19

As per data released by National Fertilizer Development Center (NFDC), total fertilizer offtakes for the month of June decreased by 7.49%/1% MoM/YoY to reach at 869KT. Production of total fertilizer for the said period increased by 3%/20% MoM/YoY to stand at 716KT. Offtakes are broadly inline with the previous trends of kharif season while monthly decrease is attributable to higher base affect in aftermath of excessive buying by farmers in May. Increase in production is attributable to on-going production from Agritech and Pakarab Fertilizers.

Nutrient wise, total urea off-takes increased 8% to reach at 642KT as compared to 592KT last month. Urea production stood at 557KT up by 3%/20 MoM/YoY. Closing inventory counted at 177KT down/up 33%/19% MoM/YoY. On the other hand DAP off-take decreased by 25%/17% MoM/YoY to reach at 157KT. Production decreased by 6% MoM while remain flat on YoY basis. Closing inventory numbered at 504Kt flat MoM, up 24% YoY.

Company wise FFC Urea offtakes fell/rise 3%/22% MoM/YoY while DAP offtakes shrank by 34%/66% MoM/YoY. Urea production by company fell/rise 4%/1% MoM/YoY to stand at 214KT.

EFERT urea offtakes for the month increased/decreased 24%/28% MoM/YoY while its DAP offtakes fell 50%/53% MoM/YoY. Urea production accreted by 28%/28% MoM/YoY.

FATIMA's urea offtakes attrited by 29%/72% MoM/YoY while Production stood at 40KT, up/down by 29%/6% MoM/YoY.

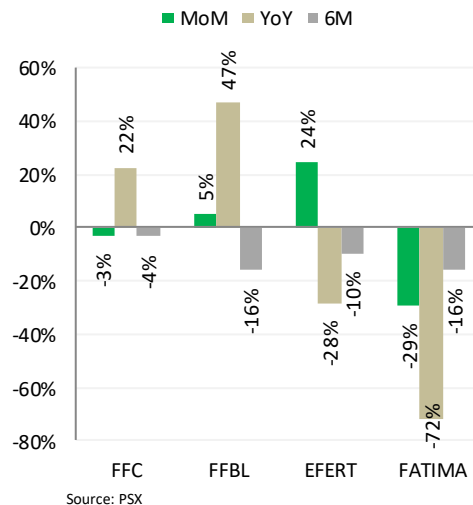
FFBL urea offtakes numbered at 83KT up by 5%/47% MoM/YoY while DAP offtakes stood at 2.3KT down/up by 20%/5% MoM/YoY. Urea production stood at 54KT down/up by 6%/2% MoM/YoY while DAP production remained at 71KT down/up by 6%/00% MoM/YoY.

PAKISTAN FERTILIZER OFF-TAKE								
FOR THE MONTH OF - JUN'19								
PRODUCT	Jun-19	May-19	MoM%	Jun-18	YoY %	6M-CY'19	6M-CY'18	YoY %
INDUSTRY								
UREA	642,577	592,525	8%	608,109	6%	2,887,837	2,728,697	6%
DAP	157,743	213,024	-26%	189,898	-17%	645,565	682,133	-5%
CAN	21,716	45,551	-52%	42,635	-49%	262,229	329,972	-21%
NP	25,446	67,842	-62%	25,395	0%	245,143	248,865	-1%
NPK	4,258	4,094	4%	1,394	205%	35,220	28,995	21%
TOTAL	869,947	940,345	-7.5%	876,970	-0.8%	4,176,828	4,081,336	2.3%

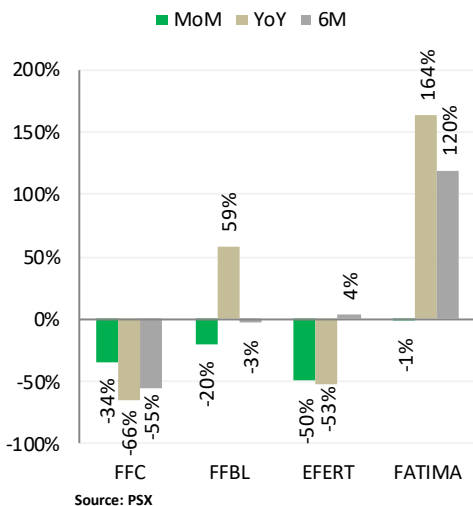
COMPANY WISE								
FAUJI FERTILIZER - FFC								
UREA	263,432	271,373	-3%	215,054	22%	1,183,017	1,226,295	-4%
DAP	22,507	34,052	-34%	65,994	-66%	83,368	185,579	-55%
FAUJI FERTILIZER BIN QASIM - FFBL								
UREA	82,757	78,925	5%	56,452	47%	214,053	255,480	-16%
DAP	61,366	77,121	-20%	38,677	59%	201,999	208,134	-3%
ENGRO FERTILIZER - EFERT								
UREA	175,648	141,161	24%	245,232	-28%	896,560	994,340	-10%
DAP	30,176	59,892	-50%	64,257	-53%	180,983	174,071	4%
NP	6,827	9,775	-30%	3,918	74%	28,891	27,476	5%
NPK	4,258	4,094	4%	1,394	205%	35,220	28,995	21%
FATIMA FERTILIZER - FATIMA								
UREA	25,203	35,669	-29%	90,913	-72%	204,382	243,685	-16%
DAP	5,254	5,304	-1%	1,988	164%	16,791	7,635	120%
CAN	21,682	45,301	-52%	23,813	-9%	255,402	279,594	-9%
NP	18,294	58,007	-68%	21,177	-14%	214,016	208,364	3%

Data Source: PSX / Darson Research

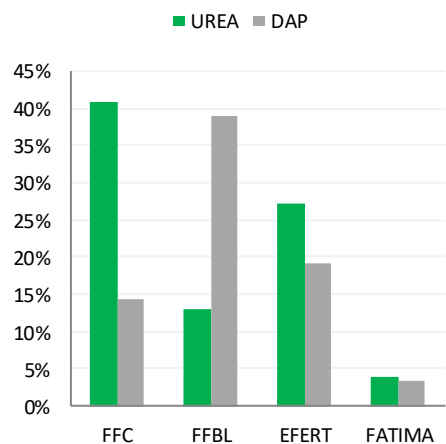
Company Performance – Urea Off-take



Company Performance – DAP Off-take



Market Share



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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:

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- 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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