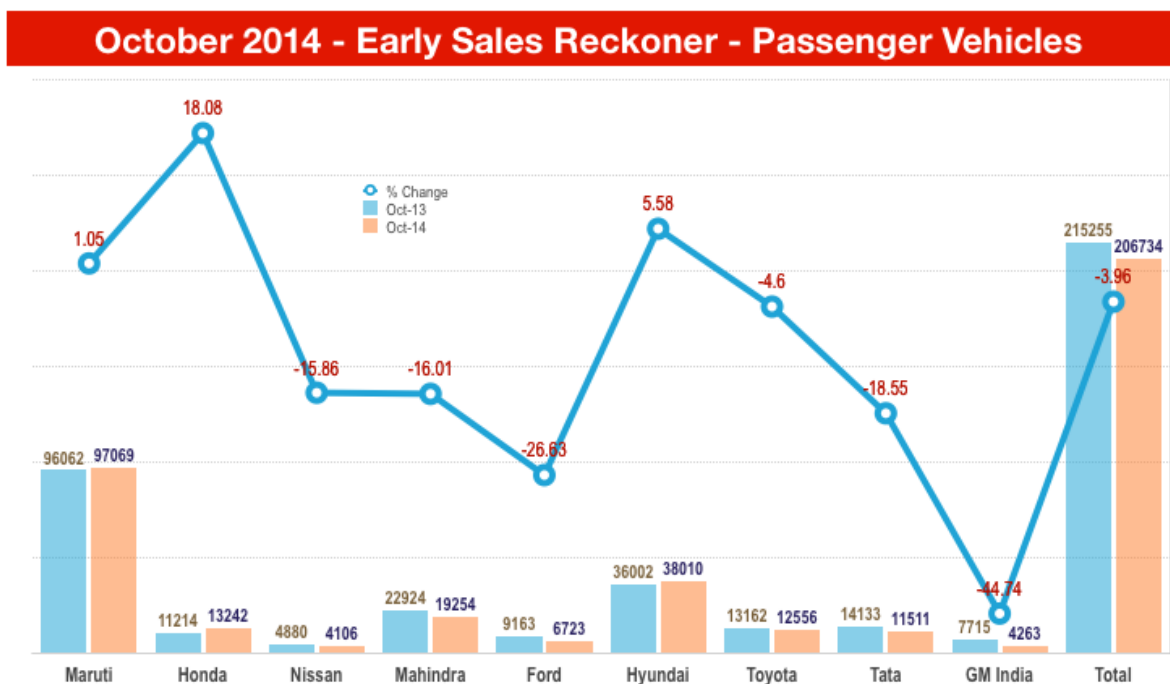


# Early Sales Reckoner – October 2014

*October passenger vehicle sales / dispatch numbers are eagerly awaited since the month was bang in the middle of the festive season and the turnaround in recent months was a good build up to the season. In a way, October 2014 dispatches are the acid test for the turnaround.*

We start October Sales Early reckoner with Maruti-Suzuki (who else works on a Saturday?). India's largest carmaker is out with rather mellow numbers for October passenger vehicle dispatches.



Dispatches were up 1.05% over Oct 2013. At 97089 units, MSIL has fallen well short of the 100k units mark for October.

Dispatches were down in both the Mini and Compact segment. However, volume was added by the DZire Tour and the newly introduced Ciaz, which managed dispatches of more than 6000 units.

**PS:** After we posted this MSIL Communication Department has updated us, pointing out that the factory and dispatch departments worked only 19 days in October, as compared to the 24 days in a normal month. This limited the dispatch of vehicles, claims MSIL Communication. They further point out that retail sales were 108,000 units a 10% growth year-on-year. Sales are not as bad as they look.

**Update 1:** We have now received numbers from Honda, Nissan and Mahindra and there are three creases on this analyst's forehead as he glances at the mirror.

Numbers are bad.

While Honda has managed an upswing in dispatches, Nissan is woefully down and Mahindra is worryingly still in the negative zone. Looking at the trend and the remaining anticipated numbers, we have a feeling that the month is expected to end in the red.

In detail, Honda numbers are 18.065 up year-on-year. It is an all-round show by Honda led by the City even as the Mobilio is taking a breather.

Nissan numbers are down 15.86% and the company should be worried about the future of Datsun brand in India.

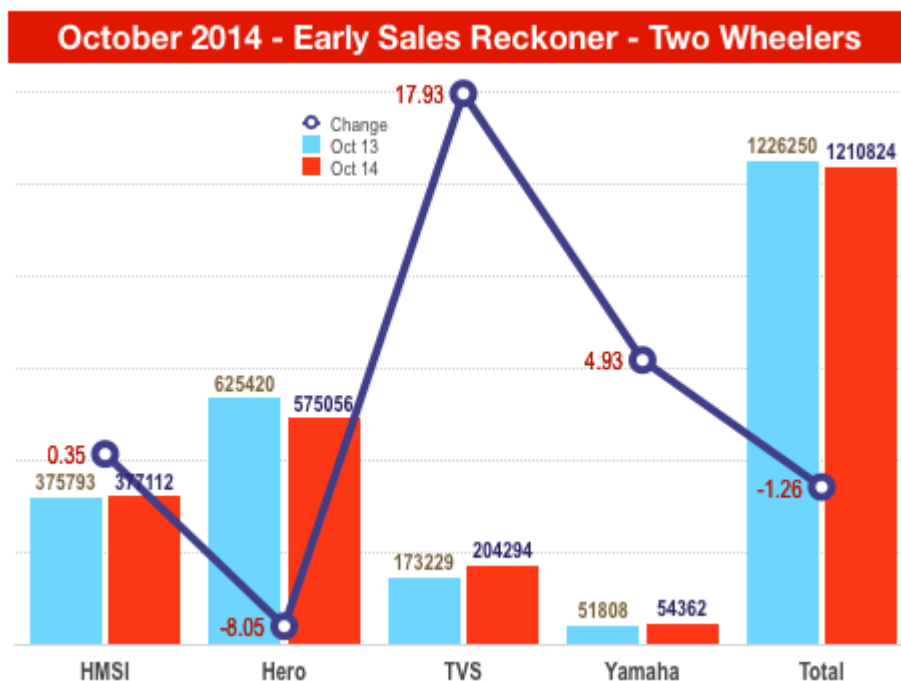
Mahindra numbers continue to stay depressed – down 16% – as people are not returning to the conventional UV market in a hurry. The launch of the facelifted Scorpio should support numbers this month onwards.

**Update 2:** More numbers are dropping in now and there are stinkers all around. Tata Motors has reported a 18.6% decline in Passenger Vehicle sales over previous October even though the company's release highlighted the Zest's fabulous response in the market.

Ford's sales were down 26.5%, rounding off another dismal

month for the carmaker as nothing except the EcoSport is going out of dealerships.

Toyota too saw a marginal decline with dispatches down 4.6%.



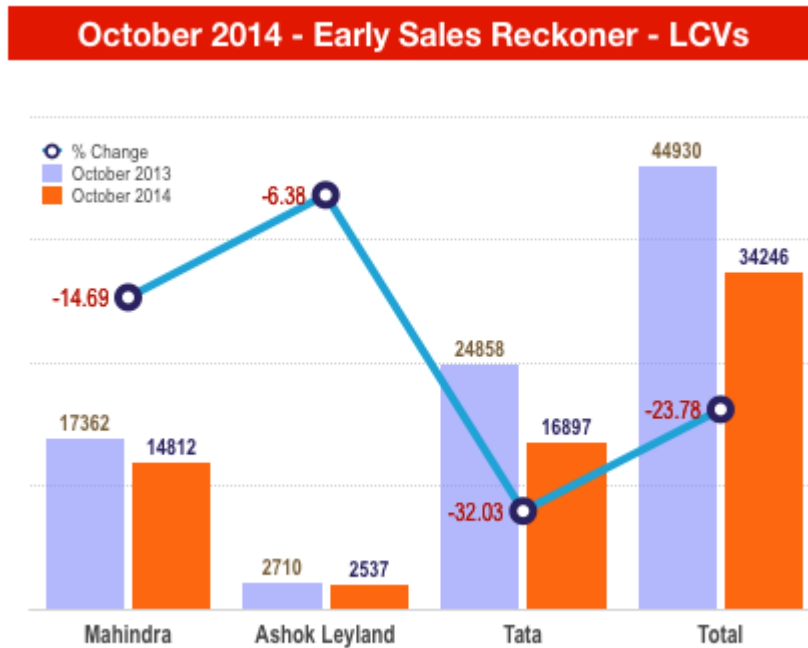
GM India has not missed a beat and sales continue to fall – this month dispatches were down 44.7% year-on-year.

That leaves only Renault India, the Volkswagen family and the Luxury car manufacturers none of whom shows any urgency in releasing their dispatch numbers. All-in-all, total passenger vehicle dispatches are now down 4% and we expect the month to close with dispatches nearly 6% down from previous year.

**Update 3:** Now updated two wheeler numbers as well. Like passenger vehicles, two wheeler dispatch numbers are also relatively depressing. After rocking sales charts for the last four months, everyone took a breather in October as dealers had started complaining of high inventory levels. Eventually, the festive season turned out to be a bit of damp squib.

HMSI dispatches were up 0.35% while Yamaha did better with its scooters and was up 4.9%. TVS had the best show with

dispatches up 17.9% o

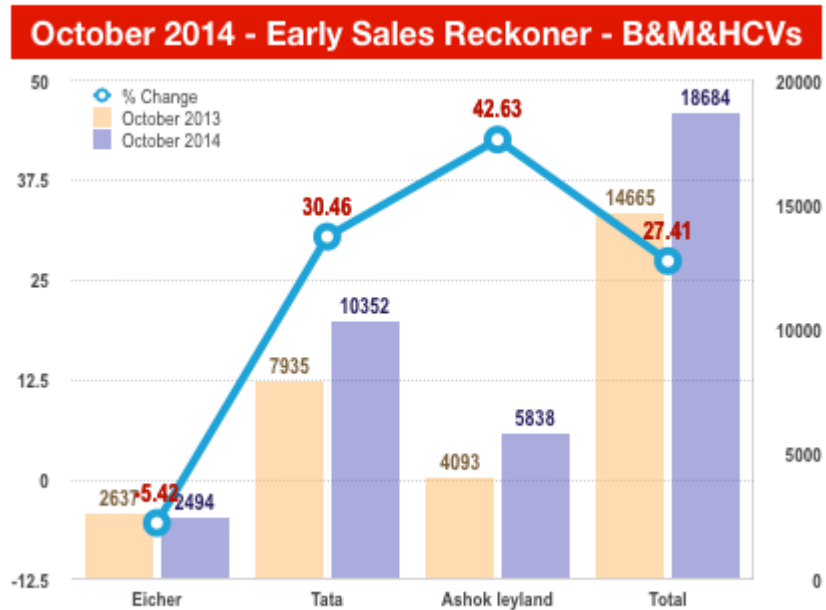


However, big daddy Hero MotoCorp was down 8% with dispatches of 575000 units, compared to 625000 units last year. BTW, we do notice some signs of Hero MotoCorp talking up numbers, especially to the financial media, even though the final numbers end up below expectations.

**Update 4: Now updated with LCV and M&HCV numbers.**

LCVs continue to bleed and October 2014 was another depressing month. every OEM reported a decline in dispatches – Mahindra was down 14.7%, Ashok Leyland down 6.35% while Tata's dispatches were down 32%. The continued slump in LCV dispatches is an indicator that the rural and semi-urban

economy is yet to s



The M&HCV market has dipped so much in the last 30 months that it is difficult to dip any further. October dispatches were up 27% overall. Ashok Leyland led the way with a 42.6% increase in dispatches. The new range of trucks is helping the manufacturer claw back market share that it had lost over the last nine quarters.

Tata Motors' dispatches were up 30.5% over previous year and there would be sighs of relief within the cubicles of the CVBU division of the company.

meanwhile VECV (Eicher-Volvo) dispatches improved by a modest 5.5%. This would be worrying for the manufacturer as its relatively new range is failing to help win market share.

~~This post would be updated multiple times in the next 72 hours. Keep checking back for more.~~