

# DAP Offtake increased by 17.7% YoY in Nov-23

Tuesday, 19 December, 2023



## UREA Price Per Bag (Rs.)

## DAP Price Per Bag (Rs.)

## NP Price Per Bag (Rs.)

## CAN Price Per Bag (Rs.)

Nov/23	Oct/23	Change	% Change	Nov/23	Oct/23	Change	% Change	Nov/23	Oct/23	Change	% Change	Nov/23	Oct/23	Change	% Change
3,921	3,747	▲ 174	▲ 4.6%	13,071	12,183	▲ 888	▲ 7%	7,469	6,944	▲ 525	▲ 8%	3,470	3,362	▲ 108	▲ 3%

Urea offtake has experienced an increase of 4.8% YoY in Nov-23 and clocked at 611K tons as compared to 583K tons in SPLY. Cumulatively Urea offtake recorded a substantial growth of 14.9% YoY. Furthermore, DAP offtake in November 2023 saw an increase of 17.7% YoY, reaching 278k tons. Meanwhile, cumulative DAP offtake has soared by 98.1% in 5MFY24.

Company-wise, EFERT witnessed a surge of 127.6%, in Urea offtake in Nov-23 as compared to SPLY, whereas FFC, FFBL, and FATIMA observed a decline of 8.5%, 19.9%, and 61.6%, respectively, YoY. Cumulatively, FFC and EFERT showed a significant growth of 11.1% and 75.3%, while FFBL and FATIMA witnessed a decline of 36.4% and 42.9%, respectively, in Urea offtake in 5MFY24. Furthermore, cumulative DAP offtake for FFC, FFBL, and EFERT saw a staggering increase of 193.5%, 108.9%, and 37.3%, respectively, in 5MFY24.

Looking ahead to the Rabi season 2023-2024, it is anticipated that there will be sustained high demand for Urea fertilizer due to increasing demand for food items. Furthermore, due to a recent hike in gas prices, it is anticipated that it will lead to an increase in the cost of urea production. This additional cost is expected to be passed on to the end consumer, resulting in a rise in fertilizer prices.

Industry (000' Tons)	Nov/23	Nov/22	YoY	Oct/23	MoM	5MFY24	5MFY23	YoY
Urea	611	583	4.8% ▲	459	33.1% ▲	2,913	2,536	14.9% ▲
DAP	278	236	17.7% ▲	159	75.2% ▲	918	464	98.1% ▲
NP	130	91	42.9% ▲	42	208.6% ▲	564	250	125.7% ▲
CAN	71	73	3.2% ▼	42	70.1% ▲	339	324	4.6% ▲
<b>Urea (000' Tons)</b>								
FFC	201	220	8.5% ▼	164	22.9% ▲	1,028	926	11.1% ▲
FFBL	42	53	19.9% ▼	16	160.6% ▲	132	207	36.4% ▼
EFERT	218	96	127.6% ▲	172	26.5% ▲	1,082	617	75.3% ▲
FATIMA Group	49	128	61.6% ▼	56	12.6% ▼	254	446	42.9% ▼
<b>DAP (000' Tons)</b>								
FFC	5.1	6	19.4% ▼	0	1243.6% ▲	56	19	193.5% ▲
FFBL	83	135	38.4% ▼	76	9.8% ▲	497	238	108.9% ▲
EFERT	59	51	16.3% ▲	22	162.5% ▲	167	121	37.3% ▲

Source: NFDC

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### DEFINITION OF TERMS

<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

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### VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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BUY	Greater than 15%
HOLD	Between -5% to 15%
SELL	Less than and equal to -5%

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

### RESEARCH ANALYST

Haroon Abdul Razzaq  
Phone: (+92) 42 38302028  
Ext: 116  
Email: haroon@abbasiandcompany.com

### HEAD OFFICE

6 - Shadman, Lahore  
Phone: (+92) 42 38302028  
Email: support@abbasiandcompany.com  
web: www.abbasiandcompany.com