

Cement Dispatches Increased by 8.7% YoY in Oct



Tuesday, 5 November, 2024

North Price Per Bag (Rs.)

Oct/24	Sep/24	Change	% Change
1,447	1,484	▼ -37	▼ -2%

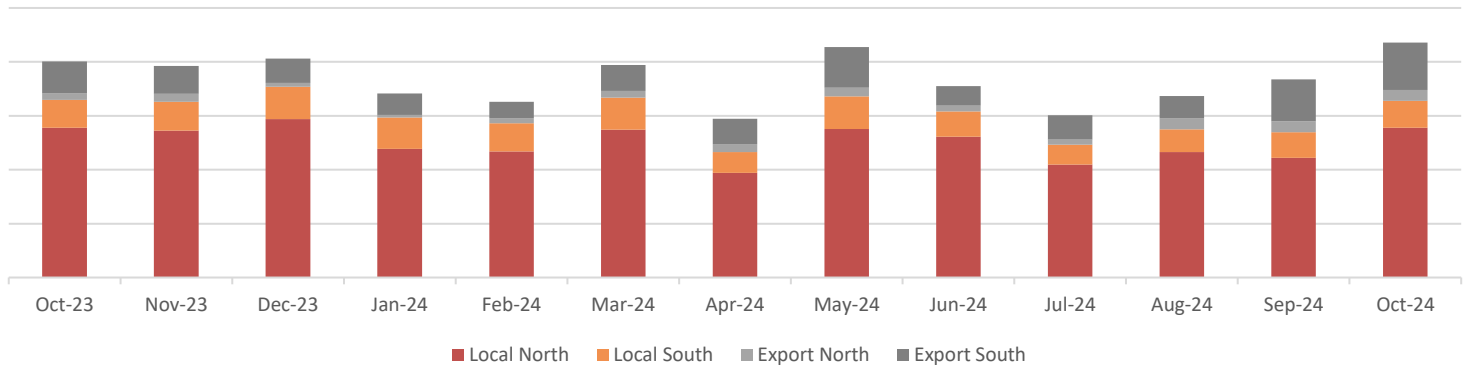
South Price Per Bag (Rs.)

Oct/24	Sep/24	Change	% Change
1,386	1,382	▲ 4	▲ 0.3%

Export Price Per Ton (USD)

Sep/24	Aug/24	Change	% Change
28.1	26.5	▲ 1.60	▲ 6.0%

Monthly Cement Dispatches



A rise in dispatches was witnessed during the month of Oct-24 as the recent data released by APCMA shows that cement dispatches were up by 8.7% YoY and 18.6% on a MoM basis. Overall, on a cumulative basis, 4MFY25 dispatches are down by 9.2%.

The industry dispatched 3.276mn tons of cement in the local market during Oct-24 as compared to 3.292mn tons during the same period last year, showing a fall of 0.5% YoY. Further breaking down the local market, dispatches from the north region remained almost the same, decreasing by 0.04% to 2.779mn tons against 2.780mn tons and dispatches from the south region decreased by 3.1% to 0.497mn tons against 0.512 mn tons in the SPLY. Furthermore, exports from the north increased by 64.9% and exports from the south region increased by 48.3% YoY in Oct-24.

Going forward, cement dispatches are expected to increase as the government prepares to announce a construction package, which should boost cement demand. Additionally, the recent 250-basis-point rate cut is likely to benefit the construction industry overall, further stimulating demand for cement and driving higher production levels.

Local (000' tons)	Oct/24	Sep/24	MoM	Oct/23	YoY	4MFY25	4MFY24	YoY
North	2,779	2,222	25.1% ▲	2,780	0.0% ▼	9,419	11,112	15.2% ▼
South	497	471	5.5% ▲	512	3.1% ▼	1,763	2,294	23.1% ▼
Total	3,276	2,693	21.6% ▲	3,292	0.5% ▼	11,182	13,406	16.6% ▼
Export (000' tons)								
North	203	203	0.2% ▼	123	64.9% ▲	710	551	28.8% ▲
South	878	776	13.2% ▲	592	48.3% ▲	2,511	1,908	31.6% ▲
Total	1,081	979	10.4% ▲	715	51.1% ▲	3,221	2,460	30.9% ▲
Grand Total (000' tons)	4,356	3,672	18.6% ▲	4,007	8.7% ▲	14,403	15,865	9.2% ▼

Source: Cemnet.com

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TP	Target Price	CAGR	Compound Annual Growth Rate	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	LDCP	Last Day Closing Price

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- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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

Sector Rating	Sector Outlook
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Market Weight	Neutral
Underweight	Negative

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