

# Cement Dispatches dropped by 16.8% YoY in Nov-22

Monday, 5 December, 2022



## North Price Per Bag (Rs.)

Nov-22	Oct-22	Change	% Change
1,035	1,022	▲ 13	▲ 1%

## South Price Per Bag (Rs.)

Nov-22	Oct-22	Change	% Change
1,061	1,052	▲ 9	▲ 1%

## Export Price Per Ton (USD)

Oct-22	Sep-22	Change	% Change
52	48	▲ 4	▲ 8%

Sluggish demand in dispatches is witnessed during the fifth month of FY23 as the recent data released by APCMA shows that cement dispatches were down by 5.7% MoM in Nov-22 while declining by 16.8% on a YoY basis owing to a fall in the construction activity due to a global hike in the prices of steel and other raw materials. The industry dispatched 3.86mn tons of cement in the local market during Nov-22 as compared to 3.89mn tons during the same period last year, showing a decline of 0.7% YoY.

Further breaking down the local market, dispatches from the north region dropped by 8.8% to 3.16mn tons against 3.47mn tons while dispatches from the south region increased by 6.6% to 0.70mn tons against 0.66mn tons in the SPLY. Lastly, exports from the north region improved by 88% meanwhile, exports from the south region declined by 93.1% YoY in Nov-22.

The industry is facing difficult times amid high-interest rates coupled with currency devaluation. However, the decline in coal prices in international markets and the restoration of damaged infrastructure in flood-affected areas can play a role to support the sector.

Local (000' tons)	Nov-22	Oct-22	MoM	Nov-21	YoY	5MFY23	5MFY22	YoY
North	3,163	3,140	0.7% ▲	3,469	8.8% ▼	13,543	16,784	19.3% ▼
South	698	747	6.5% ▼	655	6.6% ▲	2,786	3,222	13.5% ▼
<b>Total</b>	<b>3,861</b>	<b>3,887</b>	<b>0.7% ▼</b>	<b>4,124</b>	<b>6.4% ▼</b>	<b>16,329</b>	<b>20,006</b>	<b>18.4% ▼</b>
Export (000' tons)								
North	104	131	20.8% ▼	55	88.0% ▲	524	516	1.5% ▲
South	44	231	81.0% ▼	641	93.1% ▼	1,000	2,337	57.2% ▼
<b>Total</b>	<b>148</b>	<b>362</b>	<b>59.2% ▼</b>	<b>696</b>	<b>78.8% ▼</b>	<b>1,524</b>	<b>2,853</b>	<b>46.6% ▼</b>
Grand Total (000' tons)	<b>4,009</b>	<b>4,249</b>	<b>5.7% ▼</b>	<b>4,820</b>	<b>16.8% ▼</b>	<b>17,853</b>	<b>22,859</b>	<b>21.9% ▼</b>

Source: APCMA

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

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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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