

Cement Dispatches up by 7.8% YoY in May



Wednesday, 5 June, 2024

North Price Per Bag (Rs.)

May/24	Apr/24	Change	% Change
1,248	1,219	▲ 29	▲ 2%

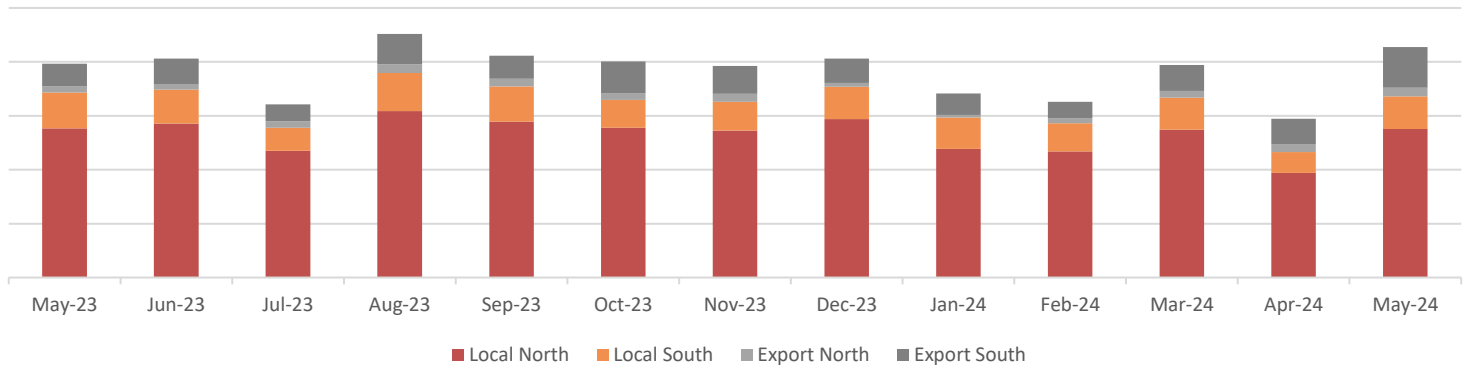
South Price Per Bag (Rs.)

May/24	Apr/24	Change	% Change
1,204	1,205	▼ -1	▼ -0.1%

Export Price Per Ton (USD)

May/24	Apr/24	Change	% Change
26.5	25.2	▲ 1.29	▲ 5.1%

Monthly Cement Dispatches



A rise in dispatches was witnessed during the month of May-24 as the recent data released by APCMA shows that cement dispatches were up by 7.8% YoY and up 45.3% on a MoM basis. Overall, on a cumulative basis, 11MFY24 dispatches are up by 2.8%.

The industry dispatched 3.358mn tons of cement in the local market during May-24 as compared to 3.433mn tons during the same period last year, showing a fall of 2.2% YoY. Further breaking down the local market, dispatches from the north region decreased by 0.5% to 2.753mn tons against 2.768mn tons and dispatches from the south region also decreased by 9.1% to 0.605mn tons against 0.665mn tons in the SPLY. Furthermore, exports from the north increased by a substantial 46.2% and exports from the south region increased by an impressive 79.0% YoY in May-24.

Going forward, we anticipate an improvement in cement demand driven by several factors. Expected interest rate cuts and seasonal growth in construction activities are key contributors. Additionally, the upcoming budget's likely increase in PSDP allocations and the boost from CPEC and other development projects will further elevate demand. These combined elements are poised to enhance cement consumption in the near future.

Local (000' tons)	May/24	Apr/24	MoM	May/23	YoY	11MFY24	11MFY23	YoY
North	2,753	1,942	41.8% ▲	2,768	0.5% ▼	28,931	29,928	3.3% ▼
South	605	387	56.3% ▲	665	9.1% ▼	6,126	6,604	7.2% ▼
Total	3,358	2,329	44.2% ▲	3,433	2.2% ▼	35,057	36,532	4.0% ▼
Export (000' tons)								
North	163	146	11.5% ▲	111	46.2% ▲	1,349	974	38.5% ▲
South	755	468	61.3% ▲	422	79.0% ▲	5,264	3,020	74.3% ▲
Total	918	614	49.4% ▲	533	72.2% ▲	6,613	3,994	65.5% ▲
Grand Total (000' tons)	4,276	2,943	45.3% ▲	3,966	7.8% ▲	41,670	40,526	2.8% ▲

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

Sector Rating	Sector Outlook
Overweight	Positive
Market Weight	Neutral
Underweight	Negative

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