

Cement Dispatches decline by 12.6% YoY in June



Wednesday, 3 July, 2024

North Price Per Bag (Rs.)

Jun/24	May/24	Change	% Change
1,298	1,248	▲ 50	▲ 4%

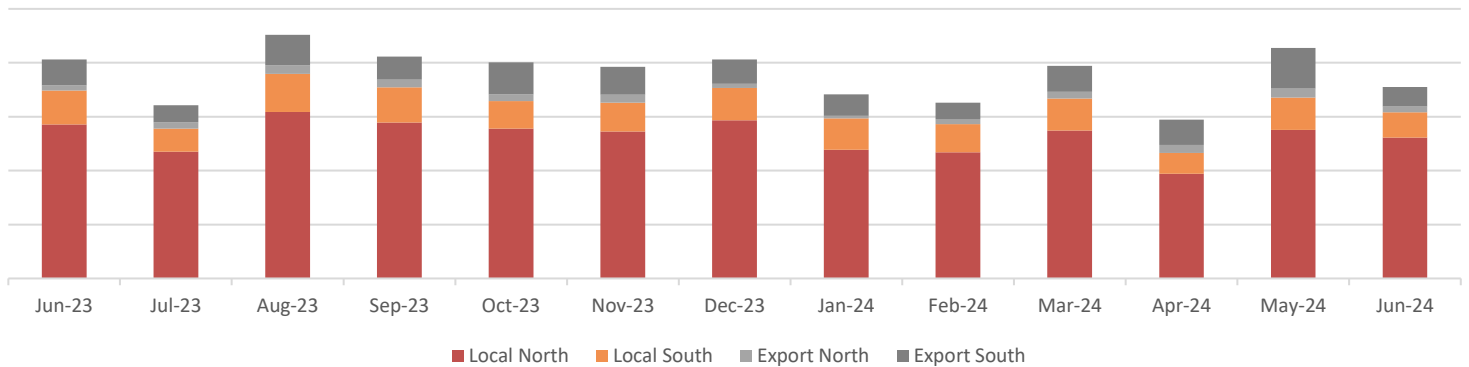
South Price Per Bag (Rs.)

Jun/24	May/24	Change	% Change
1,210	1,204	▲ 6	▲ 0.5%

Export Price Per Ton (USD)

May/24	Apr/24	Change	% Change
26.5	25.2	▲ 1.30	▲ 5.2%

Monthly Cement Dispatches



A fall in dispatches was witnessed during the month of June-24 as the recent data released by APCMA shows that cement dispatches were down by 12.6% YoY and down 16.9% on a MoM basis. Overall, on a cumulative basis, FY24 dispatches are up by 1.4%.

The industry dispatched 3.080mn tons of cement in the local market during June-24 as compared to 3.487mn tons during the same period last year, showing a fall of 11.7% YoY. Further breaking down the local market, dispatches from the north region decreased by 8.4% to 2.614mn tons against 2.855mn tons and dispatches from the south region also decreased by 26.3% to 0.466mn tons against 0.632mn tons in the SPLY. Furthermore, exports from the north increased by a 14.2% and exports from the south region decreased by 24.3% YoY in June-24.

Going forward, Cement dispatches are anticipated to remain low in this quarter due to lower construction activity resulting from the monsoon season. However, in the second quarter of the current fiscal year, dispatch numbers are projected to improve driven by the government increased budget allocation to the PSDP and a interest rate reduction. These combined elements are poised to enhance cement consumption in the near future..

Local (000' tons)	Jun/24	May/24	MoM	Jun/23	YoY	FY24	FY23	YoY
North	2,614	2,753	5.0% ▼	2,855	8.4% ▼	31,545	32,783	3.8% ▼
South	466	605	23.0% ▼	632	26.3% ▼	6,592	7,236	8.9% ▼
Total	3,080	3,358	8.3% ▼	3,487	11.7% ▼	38,137	40,019	4.7% ▼
Export (000' tons)	Jun/24	May/24	MoM	Jun/23	YoY	FY24	FY23	YoY
North	109	163	33.2% ▼	95	14.2% ▲	1,458	1,069	36.3% ▲
South	364	755	51.8% ▼	481	24.3% ▼	5,628	3,501	60.7% ▲
Total	473	918	48.5% ▼	576	17.9% ▼	7,086	4,571	55.0% ▲
Grand Total (000' tons)	Jun/24	May/24	MoM	Jun/23	YoY	FY24	FY23	YoY
	3,552	4,276	16.9% ▼	4,063	12.6% ▼	45,222	44,590	1.4% ▲

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
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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
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