

Cement Dispatches down by 14.8% YoY in January



Monday, 12 February, 2024

North Price Per Bag (Rs.)

Jan/24	Dec/23	Change	% Change
1,214	1,246	▼ -32	▼ -3%

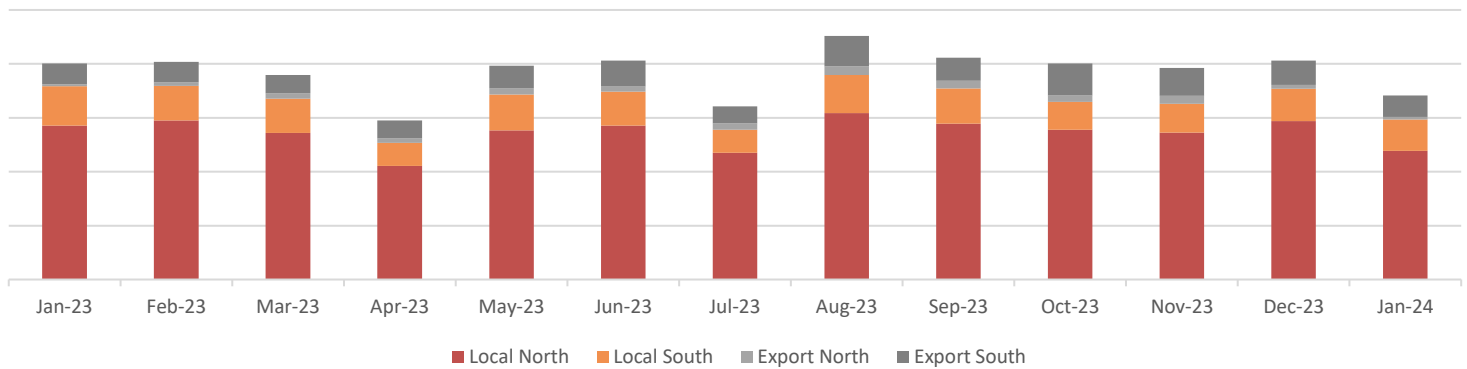
South Price Per Bag (Rs.)

Jan/24	Dec/23	Change	% Change
1,193	1,190	▲ 3	▲ 0.3%

Export Price Per Ton (USD)

Dec/23	Nov/23	Change	% Change
22	21	▲ 1.00	▲ 4.8%

Monthly Cement Dispatches



A decline in dispatches was witnessed during the month of Jan-24 as the recent data released by APCMA shows that cement dispatches were down by 14.8% YoY and 47.9% on a MoM basis. Overall, on a cumulative basis, 7MFY24 dispatches are up by 5.7% due to the low base effect.

The industry dispatched 2.967mn tons of cement in the local market during Jan-24 as compared to 3.536mn tons during the same period last year, showing a fall of 16.1% YoY. Further breaking down the local market, dispatches from the north region decreased by 18.8% to 2.385mn tons against 2.936mn tons and dispatches from the south region also decreased by 3.0% to 0.582mn tons against 0.60mn tons in the SPLY. Furthermore, exports from the north decreased by a substantial 89.1% and exports from the south region decreased by a 24.2% YoY in Jan-24.

Going forward, the demand for cement will be contingent upon the policies enacted by the new government and the guidelines set forth by the IMF, both of which will shape the future trajectory of cement demand. Additionally, under the current axle regime, it is anticipated that costs will persist at elevated levels.

Local (000' tons)	Jan/24	Dec/23	MoM	Jan/23	YoY	7MFY24	7MFY23	YoY
North	2,385	2,936	18.8% ▼	2,856	16.5% ▼	19,156	19,381	1.2% ▼
South	582	600	3.0% ▼	732	20.4% ▼	4,015	4,240	5.3% ▼
Total	2,967	3,536	16.1% ▼	3,588	17.3% ▼	23,171	23,621	1.9% ▼
Export (000' tons)								
North	49	449	89.1% ▼	35	38.8% ▲	820	613	33.7% ▲
South	398	525	24.2% ▼	383	3.9% ▲	3,259	1,539	111.8% ▲
Total	447	3,012	85.2% ▼	418	6.8% ▲	4,079	2,152	89.5% ▲
Grand Total (000' tons)	3,414	6,548	47.9% ▼	4,006	14.8% ▼	27,250	25,773	5.7% ▲

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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