

# Cement Dispatches up by 1.4% YoY in Jan-23



Monday, 6 February, 2023

## North Price Per Bag (Rs.)

Jan-23	Dec-22	Change	% Change
1,035	1,034	▲ 1	▲ 0%

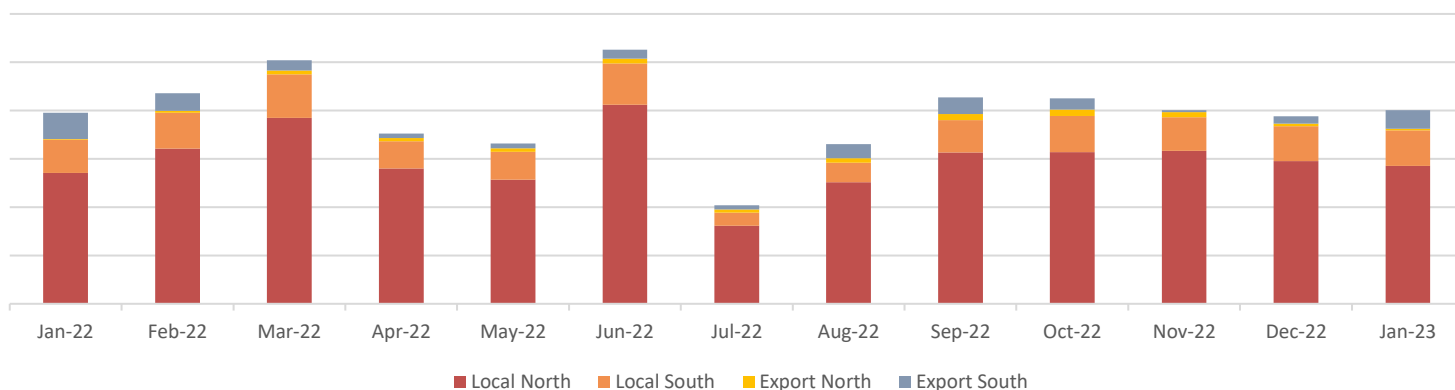
## South Price Per Bag (Rs.)

Jan-23	Dec-22	Change	% Change
1,070	1,069	▲ 1	▲ 0%

## Export Price Per Ton (USD)

Dec-22	Nov-22	Change	% Change
53	48	▲ 5	▲ 10%

## Monthly Cement Dispatches



A bit of improvement in dispatches is witnessed during the month of Jan-23 as the recent data released by APCMA shows that cement dispatches were up by 3.2% MoM and 1.4% on a YoY basis although, on a cumulative basis, 7MFY23 dispatches are down by 18% 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 3.588mn tons of cement in the local market during Jan-23 as compared to 3.676mn tons during the same period last year, showing a decline of 2.4% YoY. Further breaking down the local market, dispatches from the north region dropped by 3.3% to 2.86mn tons against 2.97mn tons while dispatches from the south region increased by 1.5% to 0.73mn tons against 0.72mn tons in the SPLY. Lastly, exports from the north region plunged by 35.3% meanwhile, exports from the south region improved by 154.2% YoY in Jan-23.

Going forward, we expect the industry to remain under pressure amid a strict macroeconomic situation including high borrowing costs coupled with currency devaluation. Moreover, lower demand in addition to an excess supply of dispatches might cause a price war between competitors. However, an increase in the pace of construction activity in wake of the restoration of damaged infrastructure in flood-affected areas as well as lower coal prices in the international market can support the sector.

Local (000' tons)	Jan-23	Dec-22	MoM	Jan-22	YoY	7MFY23	7MFY22	YoY
North	2,857	2,956	3.3% ▼	2,707	5.5% ▲	19,379	22,868	15.3% ▼
South	731	720	1.5% ▲	693	5.4% ▲	4,237	4,596	7.8% ▼
<b>Total</b>	<b>3,588</b>	<b>3,676</b>	<b>2.4% ▼</b>	<b>3,400</b>	<b>5.5% ▲</b>	<b>23,616</b>	<b>27,464</b>	<b>14.0% ▼</b>
Export (000' tons)								
North	35	54	35.3% ▼	14	156.5% ▲	613	558	10.0% ▲
South	383	151	154.2% ▲	537	28.7% ▼	1,533	3,384	54.7% ▼
<b>Total</b>	<b>418</b>	<b>205</b>	<b>103.9% ▲</b>	<b>551</b>	<b>24.1% ▼</b>	<b>2,147</b>	<b>3,942</b>	<b>45.5% ▼</b>
Grand Total (000' tons)	<b>4,006</b>	<b>3,881</b>	<b>3.2% ▲</b>	<b>3,951</b>	<b>1.4% ▲</b>	<b>25,762</b>	<b>31,406</b>	<b>18.0% ▼</b>

Source: APCMA

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<b>TP</b>	Target Price	<b>CAGR</b>	Compound Annual Growth Rate	<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>LDCP</b>	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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