

Cement Dispatches decline by 10.8% YoY in Sep



Monday, 7 October, 2024

North Price Per Bag (Rs.)

Sep/24	Aug/24	Change	% Change
1,484	1,512	▼ -28	▼ -2%

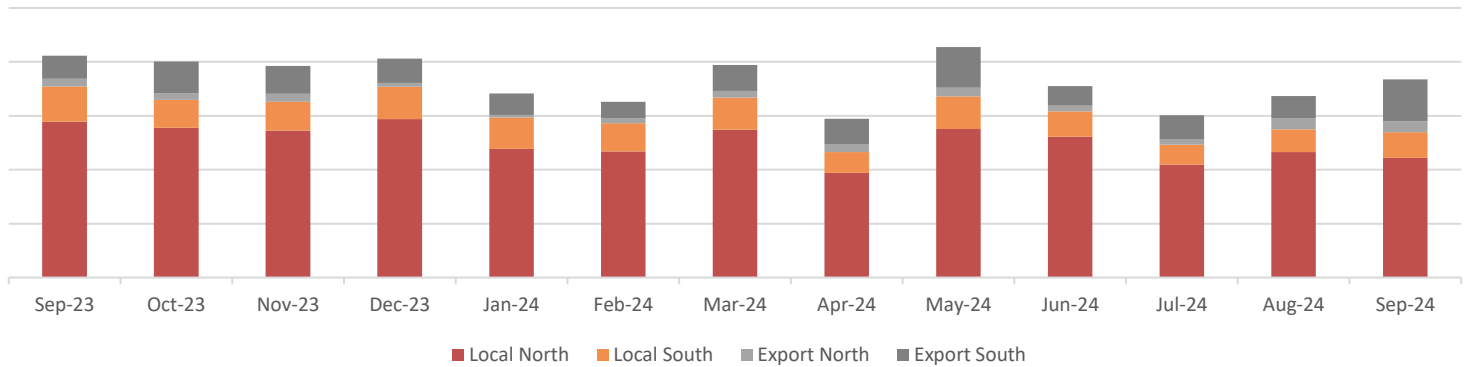
South Price Per Bag (Rs.)

Sep/24	Aug/24	Change	% Change
1,382	1,381	▲ 1	▲ 0.1%

Export Price Per Ton (USD)

Aug/24	Jul/24	Change	% Change
26.5	27.8	▼ -1.30	▼ -4.7%

Monthly Cement Dispatches



A fall in dispatches was witnessed during the month of Sep-24 as the recent data released by APCMA shows that cement dispatches were down by 10.8% YoY and up 9.1% on a MoM basis. Overall, on a cumulative basis, 3MFY25 dispatches are down by 15.3%.

The industry dispatched 2.693mn tons of cement in the local market during Sep-24 as compared to 3.544mn tons during the same period last year, showing a fall of 24% YoY. Further breaking down the local market, dispatches from the north region decreased by 23.2% to 2.222mn tons against 2.893mn tons and dispatches from the south region also decreased by 27.7% to 0.471mn tons against 0.651mn tons in the SPLY. Furthermore, exports from the north increased by a 42.9% and exports from the south region increased by 81.3% YoY in Sep-24.

Going forward, cement sales are expected to remain under pressure due to potential PSDP allocation cuts and new taxes on real estate transactions. However, the ongoing decline in inflation may lead to a policy rate cut in the upcoming monetary policy, which could improve profitability for highly leveraged companies. Additionally, the recent approval of the International Monetary Fund bailout package is expected to foster economic stability, bolstering investor confidence in the construction sector.

Local (000' tons)	Sep/24	Aug/24	MoM	Sep/23	YoY	3MFY25	3MFY24	YoY
North	2,222	2,325	4.4% ▼	2,893	23.2% ▼	6,640	8,332	20.3% ▼
South	471	426	10.5% ▲	651	27.7% ▼	1,267	1,781	28.9% ▼
Total	2,693	2,751	2.1% ▼	3,544	24.0% ▼	7,907	10,113	21.8% ▼
Export (000' tons)								
North	203	205	0.8% ▼	142	42.9% ▲	507	428	18.4% ▲
South	776	409	89.7% ▲	428	81.3% ▲	1,633	1,316	24.0% ▲
Total	979	614	59.5% ▲	570	71.7% ▲	2,140	1,745	22.7% ▲
Grand Total (000' tons)	3,672	3,365	9.1% ▲	4,114	10.8% ▼	10,047	11,858	15.3% ▼

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
- 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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