

Monthly Update

Demand improving, pricing pressure persists

Quick Pointers:

- Avg. cement prices fell in South/East/West by Rs22/14/8, while flat in North and Central in Oct'25. All-India average declined Rs8/bag MoM.
- Near-term price hikes unlikely due to GST pass-through implementation; demand expected to pick up as the festive season ends and rains ease.

We interacted with cement dealers across regions in India to assess demand and pricing trends in Oct'25. Our Discussions indicate that overall demand remained muted, affected by intermittent rains and labour shortages in festivities, though certain markets showed modest month-on-month improvement. Post GST-led reduction in cement prices in Sep'25, prices have further declined in South & East markets led by demand weakness. Northern demand improved slightly, supported by government projects. Western markets demand was stable, and Central demand stayed weak, with recovery likely from November. The all-India average selling price declined by Rs8 MoM to ~Rs316/bag. Going forward, dealers across regions do not anticipate any price hike till Dec'25.

With the festive season concluded and rains gradually subsiding, dealers expect demand to pick up further. Increased government spending (31% YoY in Oct'25 reaching 52% of FY26 target) and post-festive construction activities are likely to support volumes. Being a seasonally strong quarter, higher volumes in Q3FY26 are expected to partially offset pricing pressures as companies would try to raise prices on rise in pet coke costs (USD120/t). We believe companies would try taking price hikes in South & East to the tune of recent fall post GST cut. We maintain our positive stance on UTCЕМ and ACЕМ, supported by their strong volume growth and ability to increase premium segment share as general trade segment prices remain under pressure.

Northern Region

In **Delhi**, prices were largely stable MoM. Demand has been decent, improving slightly from last month despite the festive period. However, intense competition is preventing any price hikes, which now seem unlikely before January. The implementation of GRAP Stage 1 has already affected construction activity, and potential escalation to Stage 2 could further dampen demand in the near term.

Jaipur demand remained sluggish, though it has improved slightly compared to last month. Festive activities and intermittent rainfall have impacted construction activity to some extent. Prices have remained unchanged month-on-month, and no price hike is expected before December. Government demand outpaced retail demand in October. Overall sentiment remains positive, with dealers expecting a gradual improvement in demand in the coming months, though the wedding season may exert some temporary pressure.

November 4, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	Buy	1,865	2,374
Ambuja Cement	Buy	577	718
Dalmia Bharat	Accumulate	2,082	2,372
Nuvoco Vistas Corporation	Accumulate	408	459
Shree Cement	Hold	28,045	31,769
Ultratech Cement	Accumulate	11,950	13,425

Source: PL

Top Picks

Ultratech Cement

Ambuja Cement

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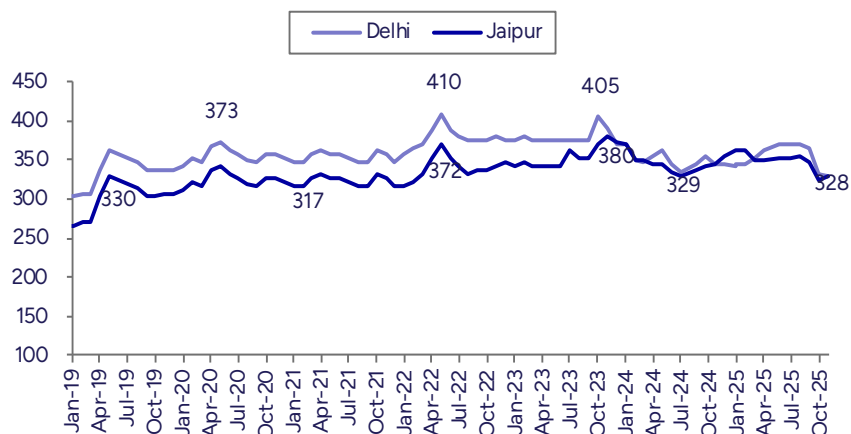
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Exhibit 2: Price remained flat on MoM basis on decent demand

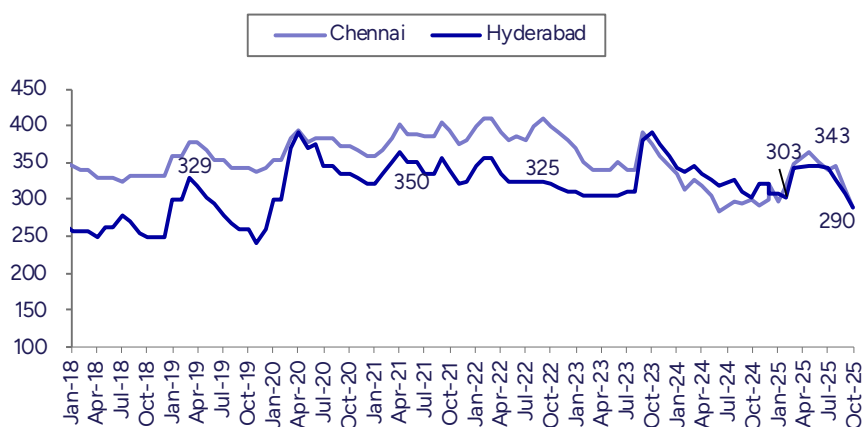


Source: PL

Southern region

In **Chennai** cement demand in October remained weak, with good offtake seen only in the first half of the month before rains and festive holidays slowed activity. Prices have softened following the GST cut due to subdued demand. Construction and infrastructure activity has been sluggish, impacted by persistent rainfall (which is likely to continue till December end) and the festive season. While one dealer anticipates a Rs 20–25/bag price hike in Nov–Dec ahead of next year's state elections, most dealers expect demand to remain muted, with a meaningful recovery likely only after the elections in Apr'26.

Exhibit 3: Prices declined by Rs22/bag led by weather related disruptions



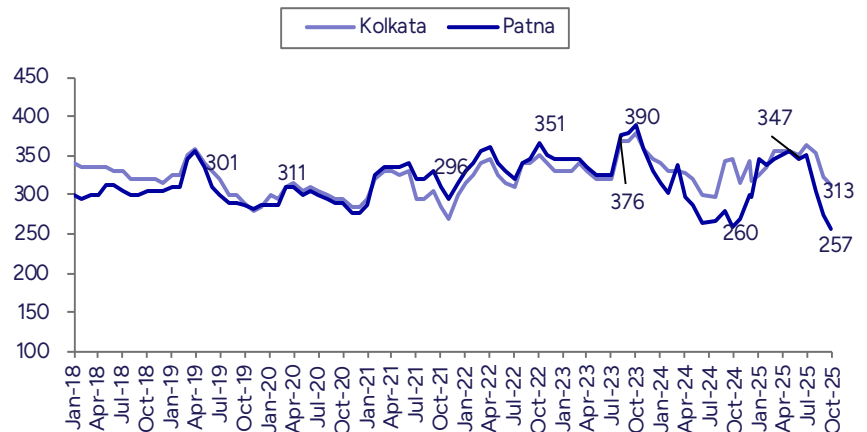
Source: PL

In **Hyderabad**, cement prices have softened amid monsoon, the recent cyclone in Andhra Pradesh, and weak demand during the Diwali and Chhath festive period. Labour shortages, as many migrant workers from Bihar and UP returned home, have further slowed construction activity. Intense competition among dealers has also added pressure on prices. While demand is not severely weak, most dealers expect a modest recovery to Rs305–310/bag in November, with a possible Rs20 increase in the latter half of the month, though a larger hike appears unlikely before Jan'26.

Eastern region

Cement prices in **Kolkata** have declined recently amid weak demand during the month. Continuous rains and the festive season have slowed construction activity, as many workers returned to Bihar for the festivities. Dealers expect demand to revive within a week or so if rains subside, though no major price increase is anticipated in November.

Exhibit 4: Festivals and monsoon led to decline in prices by ~Rs14/bag



Source: PL

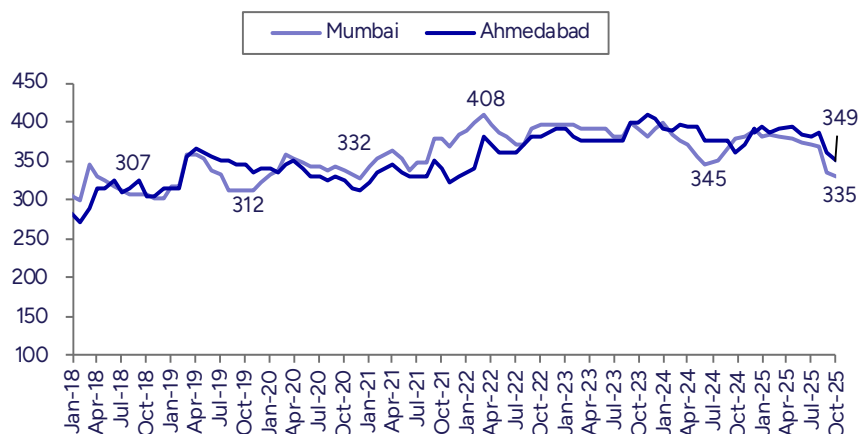
In **Patna**, cement prices across all brands have softened amid sluggish demand. Continuous rainfall throughout the month, along with the festive season (Diwali and Chhath), has kept construction activity muted. Railway prioritization of essential goods has also slowed cement rake movement. Dealers expect demand to remain subdued at least until elections conclude by mid-November, with no price hikes anticipated till first half of December.

Western region

Cement prices in **Mumbai** have remained largely stable MoM. Demand has been sluggish this month due to monsoon and the festive season, though it is slightly better compared to last month. Dealers expect an improvement in demand in the coming month. A modest price hike of Rs10–15/bag may be attempted next month, but it appears challenging; meaningful increases are more likely from January onwards. Weak infrastructure activity and the absence of government projects are also limiting near-term price hikes.

Cement demand in **Ahmedabad** remained weak in October, impacted by festivities, worker shortages, and intermittent rains. Construction activity slowed across the city during the festive period. While dealers expect demand to improve gradually in the coming weeks, they are uncertain about any immediate price increase.

Exhibit 5: Prices declined Rs8/bag due to rain

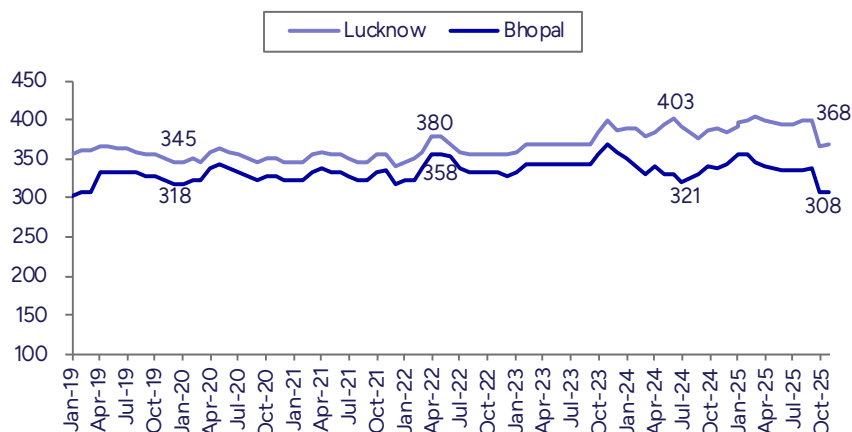


Source: PL

Central region

Lucknow cement demand remains moderate, broadly similar to September, though dealers report a slight improvement compared to last month. Intermittent rains and the ongoing wedding season are expected to temper construction activity in the near term. Prices have remained stable month-on-month, with companies passing on full benefits of around Rs 30 per bag to customers. Dealers expect better material movement in November, though any price hike is likely only from December onwards.

Exhibit 6: Central region prices remained flat MoM

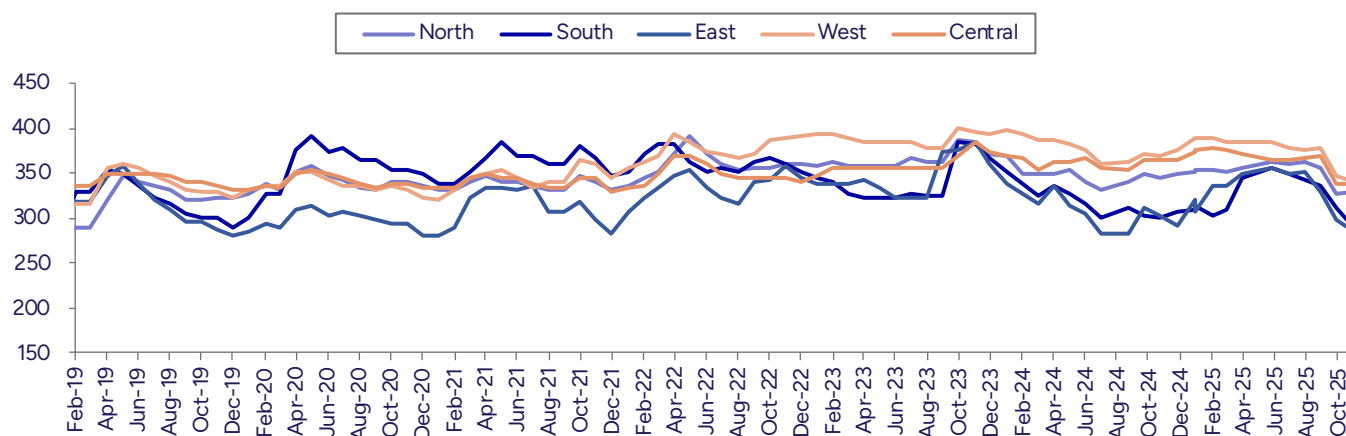


Source: PL

In **Bhopal**, Cement demand remained sluggish in October, affected by intermittent rains, festivals, and agricultural harvesting, which limited labour availability. Government projects are minimal, and strict GST compliance checks have ensured full pass-through of benefits to customers. Dealers do not expect any price hikes for at least the next three months, with meaningful increases likely only in January. Demand is expected to improve gradually from November, though labour shortages particularly from Bihar due to elections may continue to constrain construction activity in the short term.

All-India pricing

Exhibit 7: Cement prices across South/East declined further post GST led rationalization witnessed in Sep'25



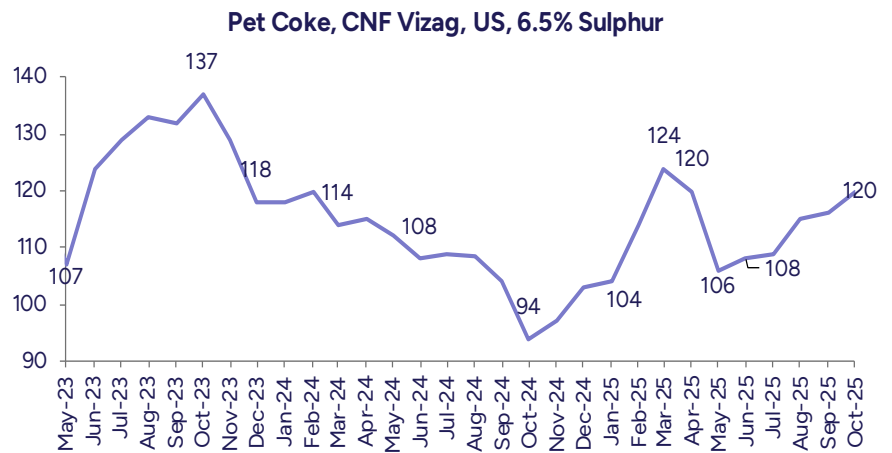
Source: PL

Exhibit 8: Region wise pricing (Rs/bag)

	North	South	East	West	Central	All India
Jun-23	358	323	323	384	356	349
Jul-23	368	328	323	384	356	352
Aug-23	363	325	323	379	356	349
Sep-23	363	325	373	379	356	359
Oct-23	388	385	375	400	370	384
Nov-23	385	383	385	395	385	387
Dec-23	372	368	360	394	374	373
Jan-24	370	353	338	398	370	366
Feb-24	350	339	328	395	366	355
Mar-24	349	325	316	386	354	346
Apr-24	350	337	335	386	362	354
May-24	353	327	313	382	363	348
Jun-24	339	316	304	376	366	340
Jul-24	331	301	283	360	357	326
Aug-24	341	313	282	362	355	330
Sep-24	349	302	312	371	364	339
Oct-24	345	301	303	369	364	336
Nov-24	350	306	293	376	364	338
Dec-24	353	310	321	389	374	349
Jan-25	354	314	308	388	377	348
Feb-25	354	303	335	388	378	352
Mar-25	351	310	336	384	376	351
Apr-25	356	345	350	385	371	361
May-25	362	355	356	386	366	365
Jun-25	361	349	349	379	365	361
Jul-25	363	342	352	375	367	360
Aug-25	356	337	329	377	368	353
Sep-25	328	311	299	347	338	325
Oct-25	329	289	285	340	338	316

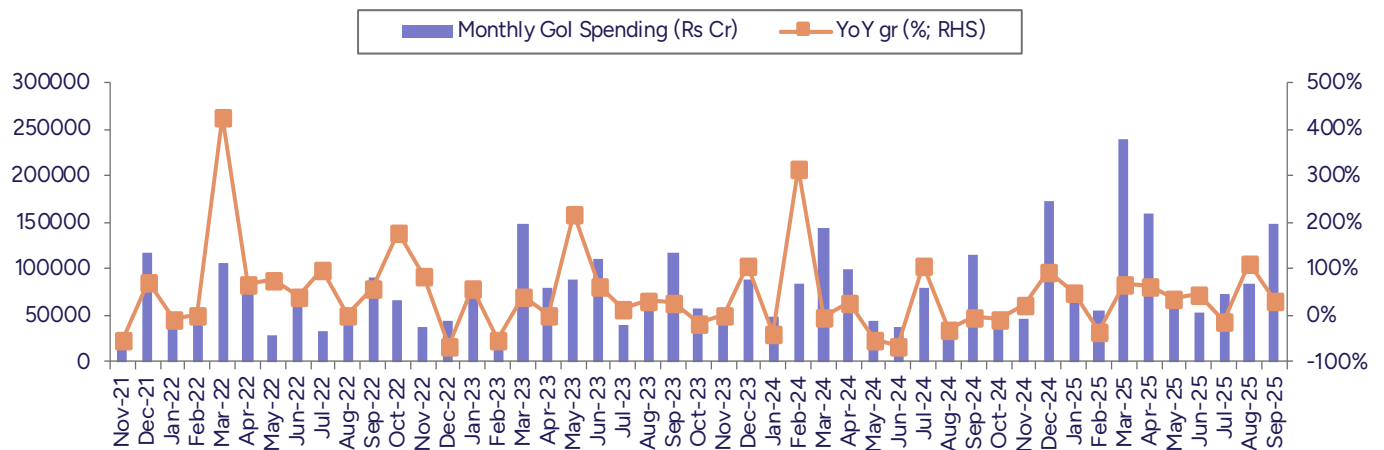
Source: PL

Exhibit 9: Imported pet coke staying at the inched-up level (USD/t)



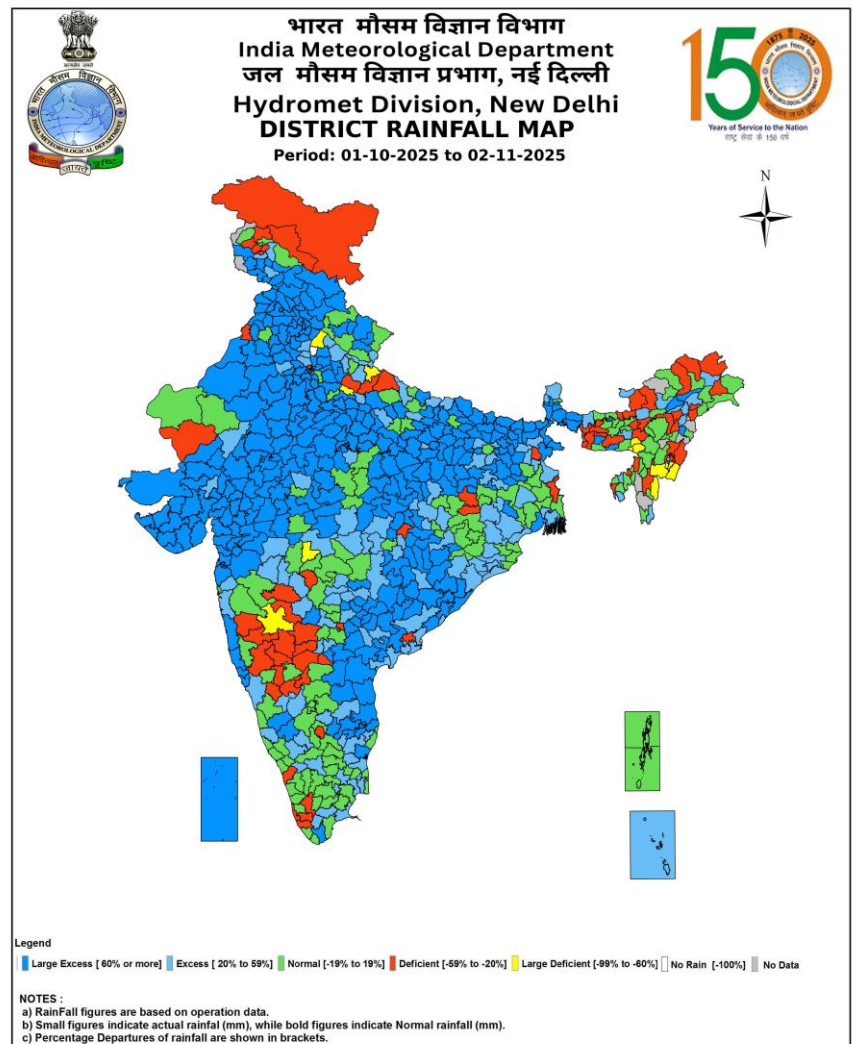
Source: CoalMint, PL

Exhibit 10: Strong 31% YoY growth in monthly government spending to aid cement demand from H2FY26



Source: Industry, PL

Exhibit 11: Rainfall statistics till 2nd November, 2025



Source: Mausam.imd.gov.in

Exhibit 12: Valuation Summary

Company Name	Mkt Cap (Rs mn)	CMP	TP	Rating	BV FY25 (Rs)	P/BV (x)	Revenue (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EV/EBITDA (x)				ROE (%)				ROCE (%)			
							FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
ACC	350.1	1,882	2,374	BUY	987	1.9	211.3	250.2	266.3	283.4	24.2	32.6	37.5	41.0	19.1	19.9	22.9	24.7	13.3	9.6	8.1	7.1	10.9	10.2	10.7	10.4	8.0	11.3	11.9	11.7
Ambuja Cement	1,421.7	577	718	BUY	217	2.7	350.4	444.6	491.7	546.7	59.7	78.0	102.8	120.7	41.8	31.5	37.8	70.7	24.2	19.4	14.7	12.5	8.8	5.7	6.4	11.0	7.3	7.7	9.8	14.5
Dalmia Bharat	390.4	2,082	2,372	Acc	927	2.2	139.8	155.8	174.8	194.3	24.1	34.3	40.2	44.0	7.2	15.2	16.8	19.1	16.7	11.7	10.2	9.3	4.3	8.4	8.6	9.1	4.9	8.6	9.4	9.6
Nuvoco Vistas Corporation	145.8	408	459	Acc	252	1.6	103.6	114.9	124.3	143.1	13.7	19.3	20.0	23.7	0.1	4.9	4.1	7.1	13.3	9.9	9.2	7.3	0.1	5.3	4.2	6.9	3.9	7.9	6.7	8.6
Shree Cement	1,011.9	28,045	31,769	Acc	5969	4.7	191.7	209.6	229.3	253.5	38.2	51.1	57.4	65.4	11.2	21.3	22.6	20.5	25.0	18.4	16.0	13.8	5.3	9.5	9.4	8.0	3.6	8.6	9.3	10.5
Ultratech Cement	3,521.4	11,950	13,425	Acc	2399	5.0	759.6	901.6	1,015.1	1,145.6	125.6	184.3	215.0	230.8	60.4	106.0	130.9	139.9	29.5	19.9	16.8	15.4	9.2	14.2	15.6	14.8	10.4	13.7	15.4	15.9

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,374	1,882
2	Adani Port & SEZ	BUY	1,777	1,400
3	Ambuja Cement	BUY	718	577
4	Dalmia Bharat	Accumulate	2,372	2,250
5	Hindalco Industries	BUY	883	768
6	Jindal Stainless	Hold	759	758
7	Jindal Steel	Accumulate	1,151	1,071
8	JSW Infrastructure	Accumulate	338	309
9	JSW Steel	Hold	1,118	1,166
10	National Aluminium Co.	BUY	280	217
11	NMDC	Accumulate	86	77
12	Nuvoco Vistas Corporation	Accumulate	459	412
13	Shree Cement	Accumulate	31,769	28,585
14	Steel Authority of India	Hold	143	137
15	Tata Steel	Accumulate	196	171
16	Ultratech Cement	Accumulate	13,425	12,370

PL's Recommendation Nomenclature

Buy	: > 15%
Accumulate	: 5% to 15%
Hold	: +5% to -5%
Reduce	: -5% to -15%
Sell	: < -15%
Not Rated (NR)	: No specific call on the stock
Under Review (UR)	: Rating likely to change shortly

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