

Monthly Update

Early monsoon & heatwaves impacting demand

Quick Pointers:

- Cement prices rose by Rs8–10/bag in the North, South and East in May'25, but remained flat in the West, and declined Rs5/bag in Central region. All-India average price rose ~Rs5/bag MoM.
- Dealers expect prices to remain flat in Jun'25 with the onset of the monsoon.

We interacted with cement dealers across regions in India to assess the demand and pricing scenario in May'25. Our discussions indicate mixed demand scenario across regions. Prices declined in certain markets due to extreme heatwaves affecting labor availability. Early onset of monsoon further added pressure, leading to a slowdown in construction activities in some regions. Northern, Southern and Eastern regions witnessed a price hike of Rs8-10/bag, while prices in the West remained flat and Central region declined by Rs5/bag. As a result, all-India average price rose by ~Rs5/bag MoM, reaching Rs365/bag by May-end. Going forward, dealers anticipate flat pricing due to the onset of monsoon.

We expect a gradual slowdown in cement demand as monsoon intensifies in June, leading to a decline in government construction activities. The IHB segment is expected to provide some support, as interior work is not likely to halt completely during the monsoon. We believe recent price hikes were also aided by uptick in pet coke prices which have softened now post sharp fall in crude oil prices. Monsoon being a seasonal factor, we expect some softness in pricing led by demand. As demand improves from 2HFY26, we expect prices to react depending upon completion status of upcoming ~60mtpa capacities across regions. We continue to remain positive on the sector and prefer industry leaders, on their superior execution and long term cost efficiency measures adopted to improve margins.

Northern region

Cement prices in **Delhi** increased by Rs10/bag during the month. However, demand remains low due to labor shortages witnessed since Apr-end and extreme heat conditions until 20th May. Dealers are still unsure when laborers will return to worksites for demand to pick up. Going ahead, price hike is not expected in June with the onset of monsoon.

Jaipur cement prices increased by Rs8-10/bag across brands amid better demand, led by purchases by farmers. May, being a non-harvesting period, is when farmers typically receive payments for their crops, giving them the time and resources to build their houses and complete construction activities. Dealers do not expect prices to rise further, given the likelihood of early monsoon onset this year.

June 3, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	BUY	1,884	2,383
Ambuja Cement	BUY	556	658
Dalmia Bharat	Acc	2,070	2,117
Nuvoco Vistas Corporation	Acc	354	374
Shree Cement	Reduce	29,410	29,152
Ultratech Cement	Buy	11,195	13,668

Source: PL Acc=Accumulate

Top Picks

UltraTech Cement

Ambuja Cement

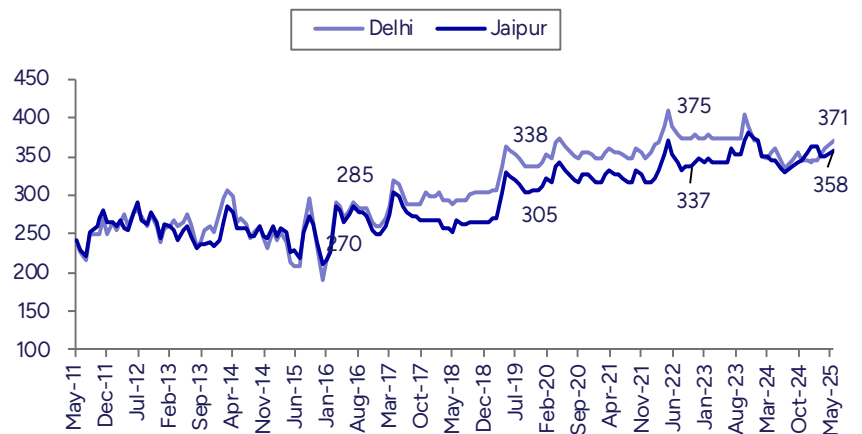
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Exhibit 2: Average cement price in Northern region up by Rs9/bag in May'25

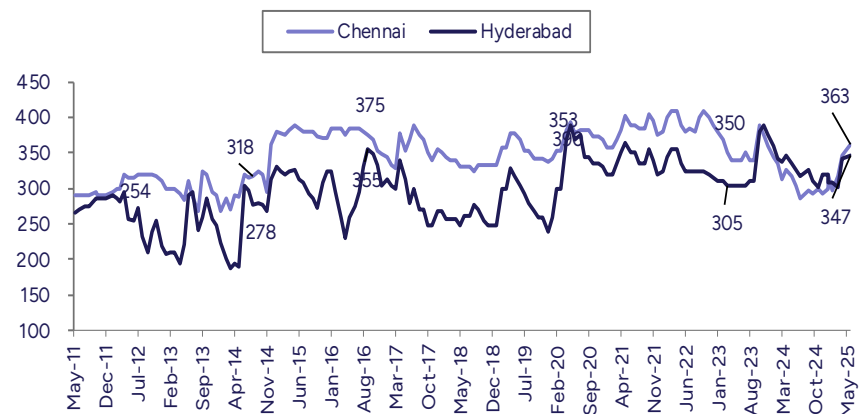


Source: PL

Southern region

Chennai witnessed a cement price hike of Rs15/bag around mid-May. After being one of the most affected regions, demand has been improving over the past few months. However, some dealers believe that prices are unlikely to increase further in the near term, as sustaining demand at current levels is necessary before any additional hikes.

Exhibit 3: Chennai drives surge in average price in South by Rs10/bag MoM



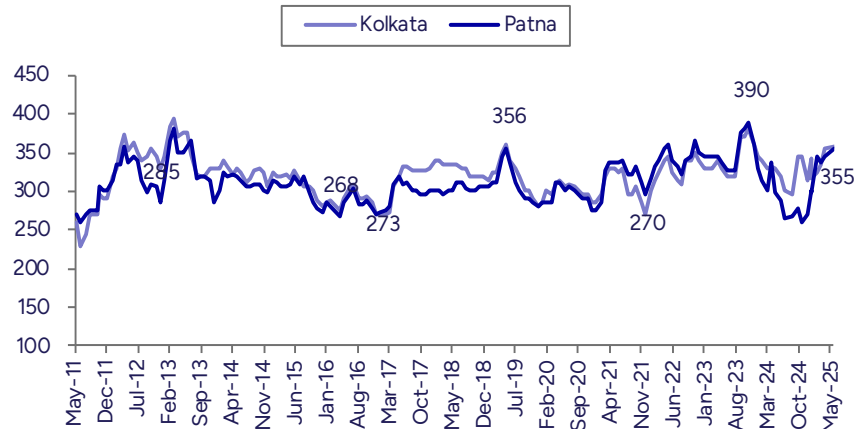
Source: PL

Cement prices in **Hyderabad** were flat due to weak demand, early monsoon, and low construction activity impacted by government regulations. Further, dealers reported minimal sales in the past week due to heavy rains. Going ahead, dealers do not expect any price increase. They, in fact, anticipate a price cut to Rs335/bag in the first week of Jun from the current level of ~Rs345/bag. Few companies have dropped invoice pricing by ~Rs20 w.e.f. 1st June however it has not much significance as real selling prices differ significantly due to variance of discount structures offered by companies.

Eastern region

Cement prices in **Kolkata** remained flattish, with a marginal increase of ~Rs3/bag MoM. Demand was moderate and remained unchanged. Rains affected sales in May. Dealers do not expect any improvement in the near term. With rains likely to intensify in Jun and Jul, demand is expected to drop further.

Exhibit 4: Eastern region prices continue upward trend despite low demand



Source: PL

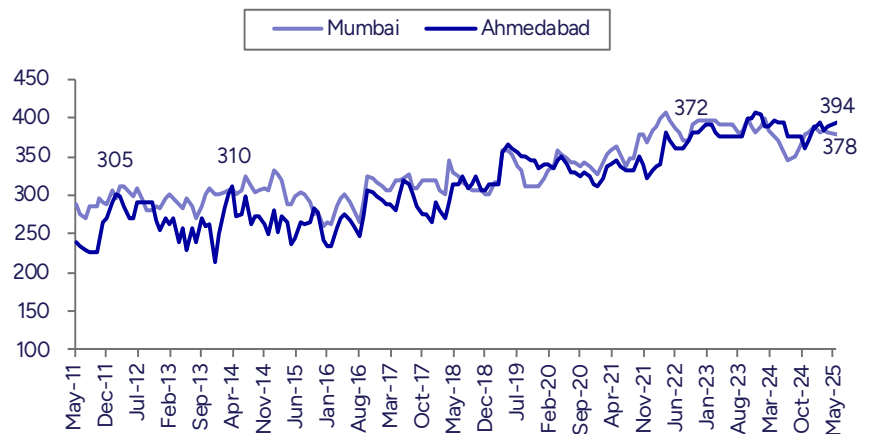
Patna dealers reported a Rs10/bag price hike, with an additional Rs20/bag increase announced from 1st Jun'25. Demand remains moderate, impacted by marriage and harvesting seasons as well as weather-related challenges. While dealers are hopeful of recovery in June and July, prospects appear limited, especially with monsoon likely to disrupt construction activity further.

Western region

Cement prices in **Mumbai** remained unchanged due to the unexpected early onset of monsoon in May. Demand was severely impacted, particularly as government projects came to a complete halt. Planned price hike could not be implemented due to the rains. Dealers anticipate a possible attempt to raise prices by Rs10/bag before the full-fledged monsoon sets in, though they believe sustaining the increase will be challenging.

The scenario in **Ahmedabad** played out as dealers had anticipated in April. Cement prices remained flat MoM, with demand staying low to moderate—affected by labor shortages due to the wedding season and a heatwave in early May. Dealers do not expect any improvement in demand or prices in Jun, as the monsoon will further suppress construction activity.

Exhibit 5: Western region prices remain flat MoM due to early monsoon onset

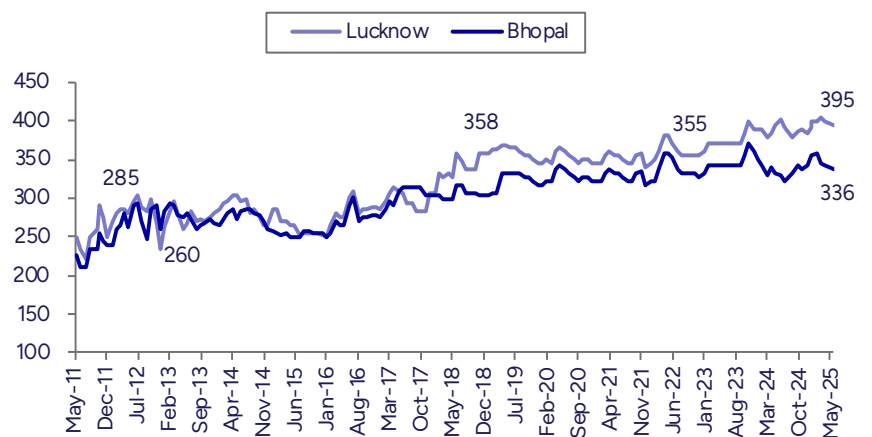


Source: PL

Central region

Heatwave has been the biggest concern in Lucknow, leading to labor unavailability and a sharp drop in demand. Prices declined by Rs5/bag in trade sales, while few dealers mentioned persistent increase in non-trade sales in last few months. Dealers experienced 10–15% MoM drop in trade sales. The situation is expected to worsen in June, with the monsoon set to begin by mid-month, preventing any price increase.

Exhibit 6: Prices decline 1% MoM due to heatwave in the Central region

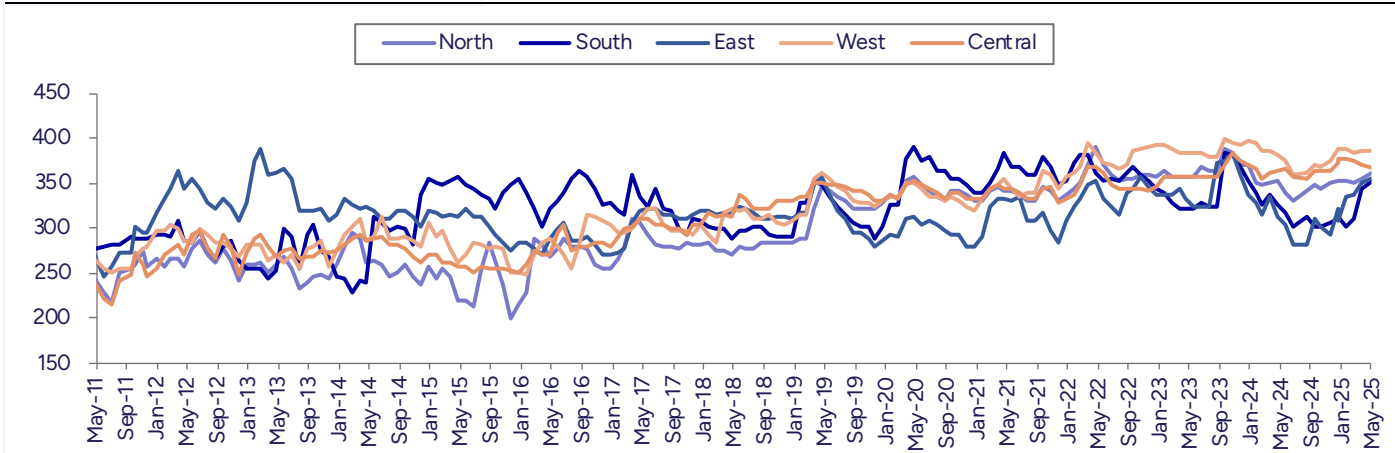


Source: PL

Bhopal was impacted by logistics issues caused by high humidity, leading to cement shortage in the region. Demand remained decent, driven by the push to complete construction projects ahead of monsoon. However, the early onset of monsoon dampened demand to some extent, resulting in a price decline of Rs5/bag. Dealers do not expect any price increase in Jun either.

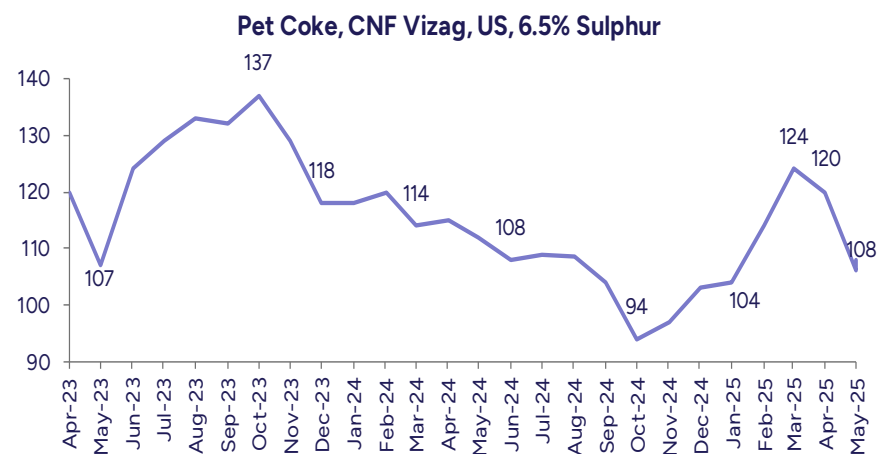
All-India pricing

Exhibit 7: All-India average price declined 1% MoM on stable demand amid seasonally strong period



Source: PL

Exhibit 8: Imported pet coke prices softening again (USD/t)



Source: CoalMint, PL

Exhibit 9: 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	364	355	356	386	366	365

Source: Company, PL

Exhibit 10: Valuation Summary

Company Names	S/C	Rating	CMP (Rs)	TP (Rs)	MCap (Rs bn)	BV FY24 (Rs)	P/BV (x)	Revenue			EBITDA			PAT			EV/EBITDA (x)			ROE (%)			ROCE (%)		
								FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E	FY25	FY26E	FY27E
ACC	C	BUY	1,884	2,383	354	869	2.2	211	226	233	24	33	35	19	20	21	13.4	9.7	8.8	11.0	10.3	9.9	8.0	11.4	11.0
Ambuja Cement	C	BUY	556	658	1,368	189	2.9	342	441	473	51	86	104	36	39	43	27.1	16.9	14.0	7.7	7.0	7.3	5.6	9.2	10.0
Dalmia Bharat	C	Acc	2,070	2,117	388	874	2.4	140	164	184	24	33	38	7	13	15	16.6	12.3	10.8	4.3	7.5	7.7	4.9	8.1	8.9
Nuvoco Vistas Corporation	C	Acc	354	374	127	252	1.4	104	114	126	14	16	19	0	1	3	11.9	10.7	8.6	0.1	1.5	3.7	3.9	4.9	6.6
Shree Cement	C	Reduce	29,410	29,152	1,061	5738	5.1	193	211	231	39	48	57	11	20	23	25.5	20.5	17.2	5.3	8.8	9.4	4.2	7.4	8.9
Ultratech Cement	C	Buy	11,195	13,668	3,299	2086	5.4	760	916	1,041	126	191	227	60	103	131	27.7	18.1	14.8	9.2	13.8	15.6	10.4	14.1	16.2

Source: Company, PL

S=Standalone / C=Consolidated / Acc=Accumulate

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,383	1,938
2	Ambuja Cement	BUY	658	545
3	Dalmia Bharat	Accumulate	2,117	1,974
4	Hindalco Industries	BUY	736	620
5	Jindal Stainless	BUY	655	581
6	Jindal Steel & Power	Accumulate	978	893
7	JSW Steel	Accumulate	1,150	1,044
8	National Aluminium Co.	BUY	181	159
9	NMDC	Accumulate	69	68
10	Nuvoco Vistas Corporation	Accumulate	357	316
11	Shree Cement	Reduce	28,336	30,788
12	Steel Authority of India	Hold	118	116
13	Tata Steel	BUY	173	138
14	Ultratech Cement	BUY	13,668	12,114

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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