Day Break

Tuesday, July 9, 2024

Cement Dispatches

Exhibit: Cement Monthly Sales (mn tons)

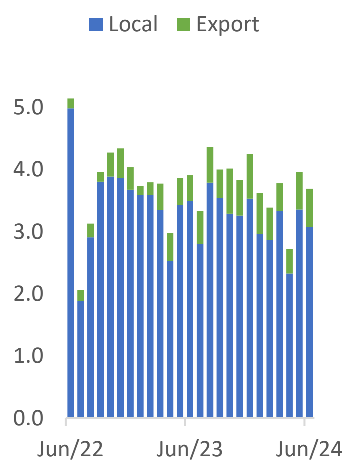
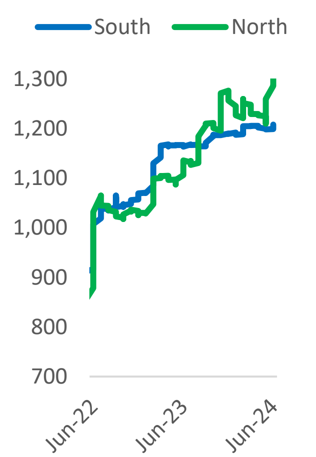


Exhibit: Cement Monthly Prices (PKR/bag)



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Cements

FY24 total cement dispatches increase by +2%y/y; Down by 17%m/m in Jun-24

- Cement dispatches for the month of June-2024 were reported at 3.55mn tons, depicting a decline of -13%y/y (-17%m/m), the local dispatches were down due to fewer working days owing to Eid Holidays and export dispatches were down due to high base effect.
- Cement sales locally reported a decline of -8% y/y to 3.08mn tons. The decline in local sales is likely attributable to fewer working days in the month due to the eid holidays. Exports witnessed a decline of -18% y/y to clock in at 0.47mn tons owing to a high base effect.
- We are positive about the cement sector, expecting demand to decline on retail levels owing to the increase in the cement prices due to the increased FED in the recent budget. Furthermore, the increased PSDP allocation is likely to increase the cement demand on government level.

Cement sales reported a decline of -17%m/m to 3.55mn tons

As per latest cement sales data released by All Pakistan Cement Manufacturers Association (APCMA), cement dispatches for the month of June-24 are down by -17%m/m to 3.55mn tons. This takes FY24 total cement dispatches to 45.27mn tons compared to 44.58mn tons during the same period last year; depicting an increase of +2%y/y.

Exhibit: Monthly Cement Dispatches

in k Tons		Jun/24	May/24	m/m	Jun/23	y/y	FY24	FY23	y/y
North	↓	2,614	2,753	-5%	2,859	-9%	31,545	32,781	-4%
South	↓	466	605	-23%	632	-26%	6,616	7,237	-9%
Local	↓	**3,080**	**3,358**	**-8%**	**3,491**	**-12%**	**38,161**	**40,018**	**-5%**
North	↓	109	163	-33%	95	15%	1,458	1,070	36%
South	↓	364	755	-52%	481	-24%	5,647	3,496	62%
Export	↓	**473**	**918**	**-48%**	**576**	**-18%**	**7,105**	**4,565**	**56%**
North	↓	2,723	2,916	-7%	2,954	-8%	33,003	33,850	-3%
South	↓	830	1,360	-39%	1,113	-25%	12,264	10,733	14%
Total	↓	**3,553**	**4,276**	**-17%**	**4,067**	**-13%**	**45,267**	**44,583**	**2%**

Source: APMCA, IGI Research

Local dispatches down by -8%m/m to 3.08mn tons

Local cement sales recorded a decline of -8%m/m to 3.08mn tons compared to 3.08mn tons during last month. The decline in local sales is mainly due to fewer working days during the month owing to eid holidays, and lower public sector development activity owing to the budget announcement and approval process in the month of June. On yearly basis local sales are down by -12%y/y. For FY24, total local sales now stand at 45.27mn tons depicting an increase of +2%y/y.

Exports dispatches down by -48%m/m to 0.47mn tons

Export dispatches during June-2024 reported a decline of -48%m/m (down by -18%y/y) to 0.47mn tons compared to 0.91mn tons during last month. We attribute this decline to higher base effect during the last month. This brings FY24 total exports to 7.1mn tons compared to 4.6mn tons (up by 56%y/y) during same period last year.

Exhibit: Company-wise Sales

in kTon		Jun/24	May/24	m/m	Jun/23	y/y	FY24	FY23	y/y
ACPL	↓	146	255	-42%	251	-42%	2,288	1,755	30%
CHCC	↓	219	246	-11%	224	-2%	2,629	2,790	-6%
DGKC	↓	341	650	-48%	513	-34%	4,846	4,704	3%
FCCL	↑	474	265	79%	412	15%	4,689	3,714	26%
KOHC	↓	205	218	-6%	252	-19%	2,572	2,974	-14%
LUCK	↓	782	793	-1%	732	7%	8,524	6,958	23%
MLCF	↓	302	341	-12%	332	-9%	3,903	4,068	-4%
PIOC	↓	186	193	-4%	234	-21%	2,362	3,561	-34%

Source: APMCA, IGI Research

Outlook

We are positive about the cement sector, expecting demand to decline on retail levels owing to the increase in the cement prices due to the increased FED in the recent budget. Furthermore, the increased PSDP allocation is likely to increase the cement demand on government level.