

March 25, 2025

SECTOR UPDATE

Cement channel check

Cement Prices Up Rs5/Bag MoM, Driven by Strength in East & North Regions!

All-India average cement prices rose by Rs5/bag m-o-m in Mar'25, primarily driven by stronger pricing in the Eastern and Northern regions, while the Southern, Central, and Western regions continued to struggle with pricing pressures. At the beginning of March, cement prices in the Western region saw a Rs3-5/bag hike, but this was rolled back shortly after. The Southern region has not witnessed any price hikes in the past four months. The Central region also faced price weakness due to logistical disruptions and lower demand linked to the Kumbh Mela. In contrast, the Eastern region has seen continuous price hikes over the past two months, primarily due to supply curtailments aimed at maintaining higher price levels. On a q-o-q basis, cement prices increased by Rs12/bag, with the Eastern region contributing the most to this gain, followed by the Northern and Central regions. According to our dealer network, a Rs40-50/bag price hike has been announced in the Southern region, effective Apr'25. However, the actual implementation and sustainability of this hike remain key factors to monitor. On a positive note, despite intensifying competition and subdued demand, cement prices have remained stable, with no signs of a decline.

March Quarter: Volume-Driven, But Demand Fell Short of Expectations!

Our channel checks indicate that cement demand in Mar'25 remained flat on a m-o-m basis, failing to pick up as expected. While the March quarter is typically volume-driven, with a year-end push from cement players, lower demand led to sluggish sales. In response, some states resorted to supply cuts to sustain pricing. Key markets such as Mumbai, Hyderabad, Lucknow, and Ahmedabad also witnessed flattish demand during the month. Low cement demand can be attributed to several factors, including Kumbh Mela in Central India, the Holi festival across the country, weak rural demand, and sluggish government capex. However, a demand revival is expected post Q2 FY26E.

Rising Energy Costs Pose a Concern Amid Weak Demand. With intensifying competition, sluggish government capex, and persistent pricing pressure, the recent ease in energy costs may not be enough to sustain profitability. Cement players will need to either raise prices or further optimize costs. However, given current market conditions, any meaningful price hike in the near term seems challenging without strong market acceptance. On the energy front: Imported coal prices (AUS - Newcastle, 6000 kcal/kg) have been rising since Dec'24, reaching USD139/ton in Mar'25 (+5% YoY, flattish MoM). Imported pet-coke prices increased to USD132/ton in Mar'25 (+3% YoY, flattish MoM), nearing 3Q FY25 average levels. Also, domestic pet-coke prices have surged by 6.7% QoQ in 4Q FY25. Domestic e-auction coal prices (Coal India Ltd) rose ~8% QoQ in 3Q FY25, with further increases expected. Given this backdrop, players heavily reliant on imported coal/pet-coke or lacking captive coal sources may build up high-cost energy inventory, potentially impacting 4Q FY25E profitability.

Our View: While 4Q FY25 cement prices appear stable, pricing pressure persists across major states. The continuous hikes in the Eastern and Northern regions primarily benefit regional players, offering little relief to others. On the bright side, no major price corrections have occurred, but weak demand continues to hinder price hike attempts and sustainability. A meaningful, broad-based price increase across regions is crucial for industry-wide performance. We expect the sector to gain momentum post 2Q FY26, driven by demand revival. Meanwhile, regional players like Dalmia Bharat, Shree Cement, and Birla Corp are likely to post stronger numbers in 4Q FY25.

Recommendation table

Company	Rating	TP
ACC	BUY	2,403
ACEM	SELL	432
BCORP	BUY	1,425
DLBHARA	BUY	2,129
SRCM	BUY	31,603
UTCEM	SELL	9,039

GIRIJA SHANKAR RAY

Lead Analyst

📞 +91 22 6992 2934 / 35 / 36



Cement channel check

Exhibit 1: All India cement avg. price per bag were up by 1.4% MoM

Region/Citywise cement avg. price (Rs/bag)	Mar-25	Feb-25	Mar-24	MoM (%)	YoY (%)
North	407	401	383	1.5	6.2
Delhi	409	399	404	2.5	1.2
Jaipur	393	385	347	2.1	13.3
Ludhiana	418	418	398	-	5.0
East	403	381	361	5.7	11.7
Kolkata	412	392	365	5.1	12.9
Bhubaneswar	406	391	366	3.8	10.9
Patna	391	361	351	8.3	11.4
West	372	372	369	-	0.7
Mumbai	394	394	396	-	-0.5
Pune	317	317	327	-	-3.1
Ahmedabad	405	405	385	-	5.2
South	337	337	355	-	-5.0
Hyderabad	298	298	323	-	-7.7
Bengaluru	400	400	410	-	-2.4
Chennai	314	314	332	-	-5.6
Central	373	375	352	-0.4	6.1
Bhopal	332	332	315	-	5.4
Indore	326	326	309	-	5.5
Lucknow	461	466	431	-1.1	7.0
All India Avg.	378	373	364	1.4	4.0

Source: Company, YES Sec

Exhibit 2: All India Avg. prices up by 3.4% QoQ mainly led by eastern followed by northern region

Region	1QFY24	2QFY24	3QFY24	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	QoQ
North	379	389	409	391	376	369	385	401	4.2%
South	379	369	389	355	343	332	333	337	1.3%
East	332	392	387	361	363	362	366	385	5.2%
West	382	384	384	369	364	359	363	371	2.2%
Central	365	370	365	352	352	350	358	372	3.9%
All India Average	369	371	391	373	363	354	361	373	3.4%

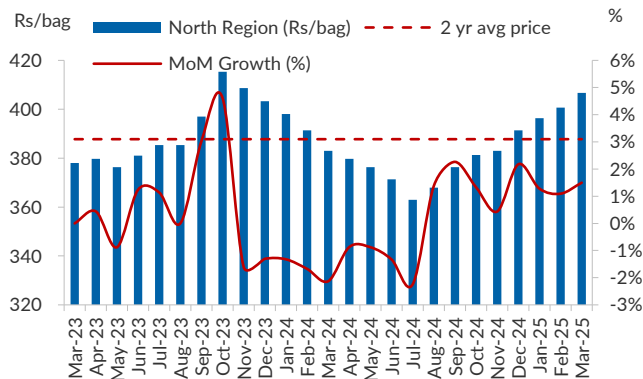
Source: Company, YES Sec

Exhibit 3: Trade Segment Cement Price trend in Mar'25

Region	MoM Change (Rs/Bag)	Trend	YoY Change (Rs/Bag)	Trend
North	6	↑	24	↑
South	-	↔	(18)	↓
East	22	↑	42	↑
West	-	↔	3	↑
Central	-2	↓	21	↑
All India Average	5	↑	14	↑

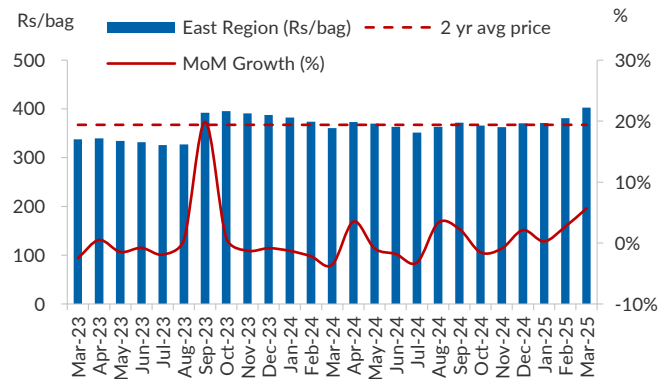
CEMENT PRICING CHART ANALYSIS

Exhibit 4: North region prices up by Rs6/bag on m-o-m



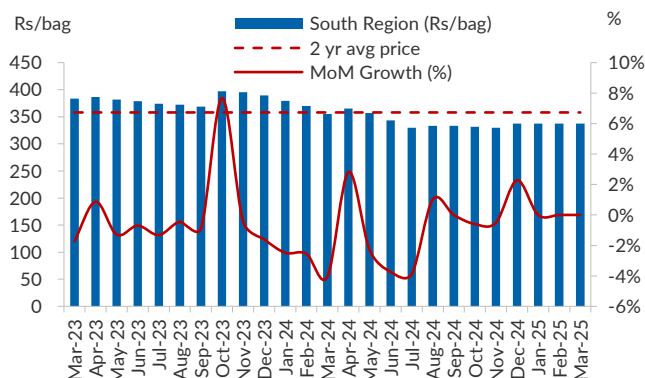
Source: Company, YES Sec

Exhibit 5: East region prices up by Rs22/bag on m-o-m



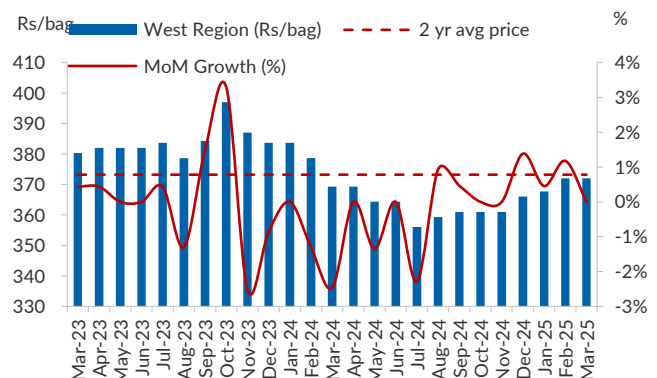
Source: Company, YES Sec

Exhibit 6: South region prices flattish on m-o-m



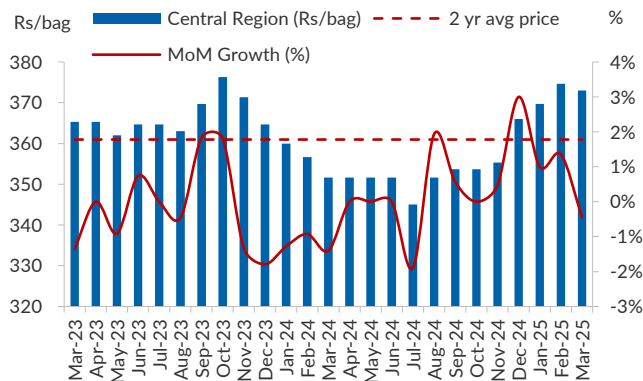
Source: Company, YES Sec

Exhibit 7: West region prices flattish on m-o-m



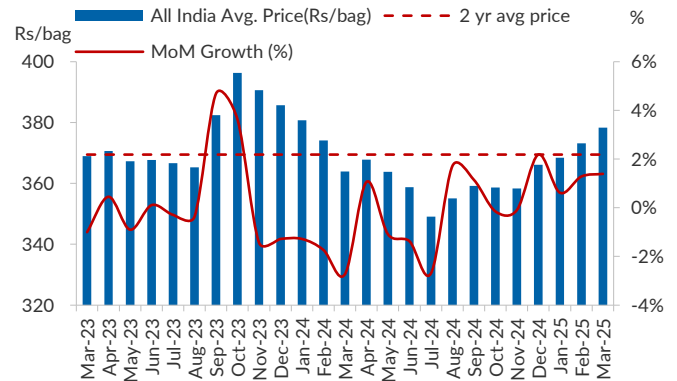
Source: Company, YES Sec

Exhibit 8: Central region prices drop Rs2/bag on m-o-m



Source: Company, YES Sec

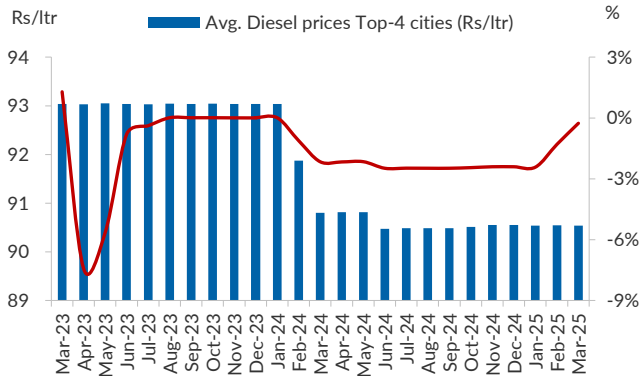
Exhibit 9: All India avg. prices up by Rs5/bag on m-o-m



Source: Company, YES Sec

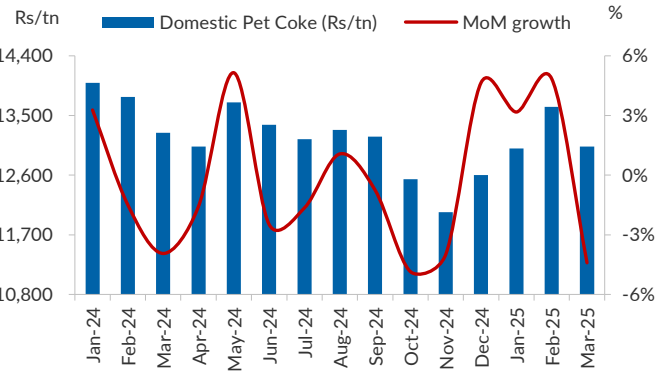
COST CHART ANALYSIS

Exhibit 10: Stable diesel over the months



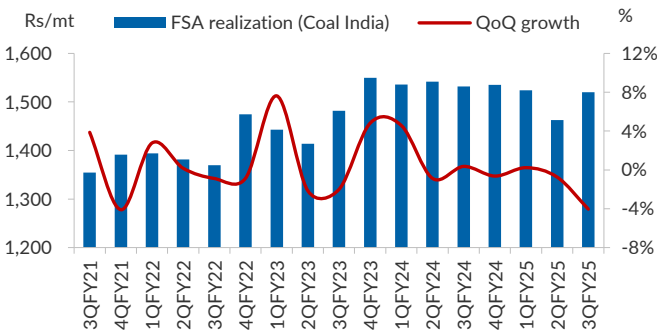
Source: Company, YES Sec

Exhibit 11: Domestic pet coke prices down 4% m-o-m



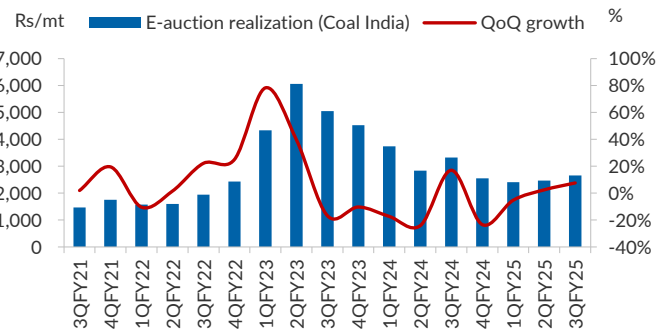
Source: Company, YES Sec

Exhibit 12: CIL's coal price up by 4% q-o-q



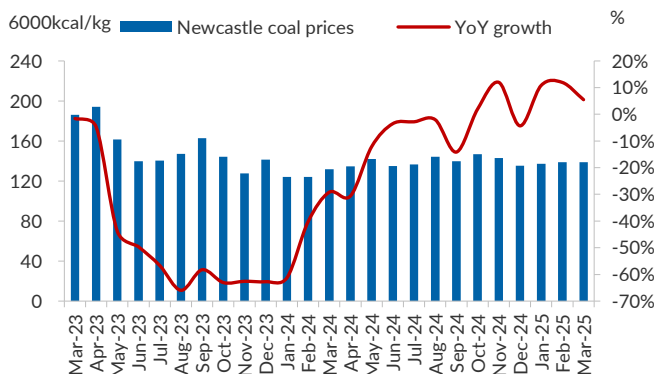
Source: Company, YES Sec

Exhibit 13: ...while its e-auction were up 7.6% q-o-q



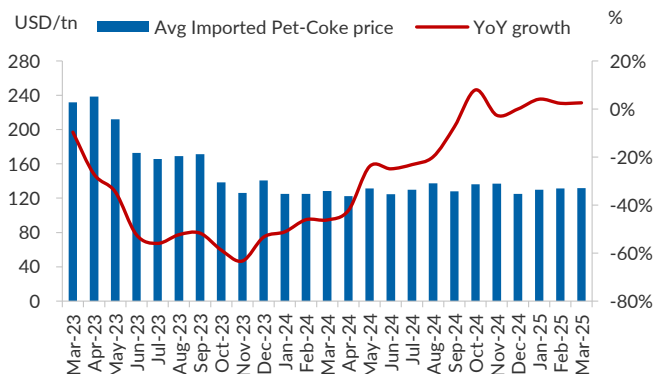
Source: Company, YES Sec

Exhibit 14: International coal prices up by 5% YoY



Source: Company, YES Sec

Exhibit 15: International pet-coke prices up 3% YoY



Source: Company, YES Sec

STANDARD DISCLAIMER:

YES Securities (India) Limited, Registered Address: 2nd Floor, North Side, YES BANK House, Off Western Express Highway, Santacruz East, Mumbai - 400055. Maharashtra, India | **Correspondence Add:** 7th Floor, Urmi Estate Tower A, Ganpatrao Kadam Marg, Opp. Peninsula Business Park, Lower Parel (West), Mumbai - 400 013, Maharashtra, India. | Website: www.yesinvest.in | Email: customer.service@ysil.in

Registration Nos.: CIN: U74992MH2013PLC240971 | SEBI Registration No.: NSE, BSE, MCX & NCDEX : INZ000185632 | Member Code: BSE - 6538, NSE - 14914, MCX - 56355 & NCDEX - 1289 | CDSL & NSDL: IN-DP-653-2021 | RESEARCH ANALYST: INH000002376 | INVESTMENT ADVISER: INA000007331 | Sponsor and Investment Manager to YSL Alternates Alpha Plus Fund (Cat III AIF) and YES Wealth Maximiser AIF (Cat III AIF) SEBI Registration No.: IN/AIF3/20-21/0818 | AMFI ARN Code - 94338

Details of Compliance Officer: Aditya Goenka | Email: compliance@ysil.in / Contact No.: 022-65078127 | **Grievances Redressal Cell:** customer.service@ysil.in / igc@ysil.in

Standard Disclaimer: Investment in securities market are subject to market risks; read all the related documents carefully before investing. Above representation provides an overview related to our past performance neither does it provide any guarantee of future performance, nor we are ensuring any guaranteed returns. Actual Client returns may vary depending upon time premium, volatility Index, intrinsic value of the script, open interest, other geopolitical conditions and choice of the customer to execute the recommendation in full or part. All recommendations are published under Research Analyst License of YES Securities (India) Limited (YSIL); execution of the recommendation is at complete discretion of customer without any intervention by the research publisher.

Contents which are exclusively for Non-Broking Products/Services e.g. Mutual Fund, Mutual Fund-SIP, Research reports, Insurance, etc. where the YSIL is just a distributor. These are not Exchange traded product and the YSIL is just acting as distributor. Kindly note that all disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

YSIL is a subsidiary of YES Bank Limited ('YBL'). Savings, Current, PIS and Demat Account are offered by YES Bank Limited. Please note Brokerage would not exceed the SEBI prescribed limit. YSIL also acts in the capacity of distributor for Products such as IPOs, Mutual Funds, Mutual Fund-SIPs, NCD/Bonds, etc., All disputes with respect to the distribution activity, would not have access to Exchange investor redressal forum or Arbitration mechanism.

Margin Trading Funding (MTF) is an exchange approved product offered to YSIL trading account holders, as per the regulation and guideline of SEBI Circular: CIR/MRD/DP/54/2017 dated June 13, 2017. For product specification, T&C, rights and obligations statement issued by the YSIL visit https://yesinvest.in/standard_documents_policies

DISCLAIMER

Investments in securities market are subject to market risks, read all the related documents carefully before investing.

The information and opinions in this report have been prepared by YSIL and are subject to change without any notice. The report and information contained herein are strictly confidential and meant solely for the intended recipient and may not be altered in any way, transmitted to, copied or redistributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of YSIL.

The information and opinions contained in the research report have been compiled or arrived at from sources believed to be reliable and have not been independently verified and no guarantee, representation of warranty, express or implied, is made as to their accuracy, completeness, authenticity or validity. No information or opinions expressed constitute an offer, or an invitation to make an offer, to buy or sell any securities or any derivative instruments related to such securities. Investments in securities are subject to market risk. The value and return on investment may vary because of changes in interest rates, foreign exchange rates or any other reason. Investors should note that Price of each of the securities or value may rise or fall and, accordingly, investors may even receive amounts which are less than originally invested. The investor is advised to take into consideration all risk factors including their own financial condition, suitability to risk return profile and the like, and take independent professional and/or tax advice before investing. Opinions expressed are our current opinions as of the date appearing on this report. Investor should understand that statements regarding future prospects may not materialize and are of general nature which may not be specifically suitable to any particular investor. Past performance may not necessarily be an indicator of future performance. Actual results may differ materially from those set forth in projections. Registration granted by SEBI and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors. YES Securities (India) Limited conforms with the rules and regulations enumerated in the Securities and Exchange Board of India (Research Analysts) Regulations, 2014 as amended from time to time.

Technical analysis reports focus on studying the price movement and trading turnover charts of securities or its derivatives, as opposed to focussing on a company's fundamentals and opinions, as such, may not match with reports published on a company's fundamentals.

YSIL, its research analysts, directors, officers, employees and associates accept no liabilities for any loss or damage of any kind arising out of the use of this report. This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject YSIL and associates to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors. Persons in whose possession this document may come are required to inform themselves of and to observe such restriction.

YES Securities (India) Limited distributes research and engages in other approved or allowable activities with respect to U.S. Institutional Investors through Rule 15a-6 under the Securities Exchange Act of 1934 (the "Exchange Act")^[1] and regulations under an exclusive chaperone arrangement with Brasil Plural Securities LLC. The views and sentiments expressed in this research report and any findings thereof accurately reflect YES Securities (India) Limited analyst's truthful views about the subject securities and or issuers discussed herein. YES Securities (India) Limited is not registered as a broker-dealer under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and is not a member of the Securities Investor Protection Corporation ("SIPC"). Brasil Plural Securities LLC is registered as a broker-dealer under the Exchange Act and is a member of SIPC. For questions or additional information, please contact Gil Aikins (gil.aikins@brasilplural.com) or call +1 212 388 5600.

This research report is the product of YES Securities (India) Limited. YES Securities (India) Limited is the employer of the research analyst(s), the authors of this research report. YES Securities (India) Limited is the concerned representatives (employees) of YES Securities (India) Limited, are responsible for the content of this research report including but not limited to any material conflict of interest of YES Securities (India) Limited in relation the issuer(s) or securities as listed in this research report. This YES Securities (India) Limited research report is distributed in the United States through Brasil Plural Securities LLC (BPS). The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and is/ are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account. As per SEC Rule 15a-6, the U.S. broker-dealer must accompany any third party research report it distributes with, or provide a web address that directs a recipient to, disclosure of any material conflict of interest that can reasonably be expected to have influenced the choice of a third-party research report provider or the subject company of a third-party research.

FINRA Rules 2241 and 2242, which govern the conduct of research analysts and the content of equity and debt research reports, respectively, apply to all research distributed by a FINRA member firm, including research prepared by a foreign broker-dealer under Rule 15a-6.

- Research reports prepared by a foreign broker-dealer and distributed by a U.S. broker-dealer are deemed to be third party research reports, as reports produced by a person other than a FINRA member.
- Prior to distributing any third party research, a U.S. broker-dealer must assure that such report contains the required disclosures under FINRA Rule 2241(h) or 2242(g)(3), as applicable.

This report is intended for distribution by YES Securities (India) Limited only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a-6(a)(2). As per Rule 15a-6(b)(4) of the Exchange Act, 1934, "Major U.S. institutional investor" means a U.S. institutional investor with assets, or assets under management, in excess of US\$100 million, or a registered investment adviser with assets under management in excess of US\$100 million. If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person or entity. Transactions in securities discussed in this research report should be effected through Brasil Plural Securities LLC (BPS) or another U.S. registered broker dealer/Entity as informed by YES Securities (India) Limited from time to time.

^[1] Rule 15a-6 under the Securities Exchange Act of 1934 provides conditional exemptions from broker-dealer registration for foreign broker-dealers that engage in certain specified activities involving U.S. investors. These activities include:

- (a) Effecting unsolicited securities transactions;
- (b) Providing research reports to major U.S. institutional investors, and effecting transactions in the subject securities with or for those investors;
- (c) Soliciting and effecting transactions with or for U.S. institutional investors or major U.S. institutional investors through a "chaperoning broker-dealer"; and
- (d) Soliciting and effecting transactions with or for registered broker-dealers, banks acting in a broker or dealer capacity, certain international organizations, foreign persons temporarily present in the U.S., U.S. citizens resident abroad, and foreign branches and agencies of U.S. persons.

In adopting Rule 15a-6, the SEC sought "to facilitate access to foreign markets by U.S. institutional investors through foreign broker-dealers and the research that they provide, consistent with maintaining the safeguards afforded by broker-dealer registration." [Rule 15a-6 Adopting Release at 54 FR 30013; see also Registration Requirements for Foreign Broker-Dealers, Exchange Act Release No. 25801 (June 14, 1988), 53 FR 23645 (June 23, 1988)].

DISCLOSURE OF INTEREST

Name of the Research Analyst : Girija Shankar Ray

The analyst hereby certifies that opinion expressed in this research report accurately reflect his or her personal opinion about the subject securities and no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendation and opinion expressed in this research report.

Sr. No.	Particulars	Yes/No
1	Research Analyst or his/her relative's or YSIL's financial interest in the subject company(ies)	No
2	Research Analyst or his/her relative or YSIL's actual/beneficial ownership of 1% or more securities of the subject company(ies) at the end of the month immediately preceding the date of publication of the research report	No
3	Research Analyst or his/her relative or YSIL has any other material conflict of interest at the time of publication of the research report	No
4	Research Analyst has served as an officer, director or employee of the subject company(ies)	No
5	YSIL has received any compensation from the subject company in the past twelve months	No
6	YSIL has received any compensation for investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
7	YSIL has received any compensation for products or services other than investment banking or merchant banking or brokerage services from the subject company in the past twelve months	No
8	YSIL has received any compensation or other benefits from the subject company or third party in connection with the research report	No
9	YSIL has managed or co-managed public offering of securities for the subject company in the past twelve months	No
10	Research Analyst or YSIL has been engaged in market making activity for the subject company(ies)	No

Since YSIL and its associates are engaged in various businesses in the financial services industry, they may have financial interest or may have received compensation for investment banking or merchant banking or brokerage services or for any other product or services of whatsoever nature from the subject company(ies) in the past twelve months or associates of YSIL may have managed or co-managed public offering of securities in the past twelve months of the subject company(ies) whose securities are discussed herein.

Associates of YSIL may have actual/beneficial ownership of 1% or more and/or other material conflict of interest in the securities discussed herein.

RECOMMENDATION PARAMETERS FOR FUNDAMENTAL REPORTS

Analysts assign ratings to the stocks according to the expected upside/downside relative to the current market price and the estimated target price. Depending on the expected returns, the recommendations are categorized as mentioned below. The performance horizon is 12 to 18 months unless specified and the target price is defined as the analysts' valuation for a stock. No benchmark is applicable to the ratings mentioned in this report.

BUY: Upside greater than 20% over 12 months

ADD: Upside between 10% to 20% over 12 months

NEUTRAL: Upside between 0% to 10% over 12 months

REDUCE: Downside between 0% to -10% over 12 months

SELL: Downside greater than -10% over 12 months

NOT RATED / UNDER REVIEW

Analyst signature

ABOUT YES SECURITIES (INDIA) LIMITED

YES Securities (India) Limited ('YSIL') is a subsidiary of YES Bank Limited ('YBL'). YSIL is a Securities and Exchange Board of India (SEBI) registered Stock broker holding membership of National Stock Exchange (NSE), Bombay Stock Exchange (BSE), Multi Commodity Exchange (MCX) & National Commodity & Derivatives Exchange (NCDEX). YSIL is also a SEBI-registered Investment Adviser and Research Analyst. YSIL is also a Sponsor and Investment Manager of Alternate Investment Fund - Category III (YSL Alternates) and AMFI registered Mutual Fund Distributor. The Company is also a registered Depository Participant with CDSL and NSDL.