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J. M. BAXI & CO.



CEMENT UPDATE

APRIL 2024

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Port Analysis



CEMENT TRAFFIC AT INDIAN PORTS

(Qty in Metric Tonnes)

- Indian port traffic for cement in the period of Apr'23-Mar'24 saw a decrease of 0.05% at 7287532 MT as compared to the same period of the previous fiscal.
- Pipavav port saw the highest traffic of cement in the period of Apr'23-Mar'24.

Cement Traffic At Indian Ports (Quantity in Million Metric Tonnes)			
Ports	Apr'23-Mar'24	Apr'22-Mar'23	Y.O.Y Variance
PIPAVAV	3.076	2.644	0.432
JNPT	1.601	1.375	0.226
COCHIN	0.806	1.164	-0.358
DHARAMTAR	0.287	0.331	-0.044
BHAGWATI BANDAR	0.229	0.205	0.024
MANGALORE	0.228	0.375	-0.147
BEDI	0.219	0.097	0.122
MUMBAI	0.181	0.077	0.104
TUTICORIN	0.150	0.004	0.146
MULDWARKA	0.128	0.147	-0.019
Grand Total	7.288	7.291	-0.003

- Ultratech Cement turned out to be a major cement supplier to Sri Lanka, exporting 489500 MT of cement.

Cement Exports: Apr'23-Mar'24		
Exporters	Coastal	Sri Lanka
ULTRATECH CEMENT LTD.	2.586	0.4895
AMBUJA CEMENT LTD.	0.018	0
HARI & CO.	0.0008	0
PENNA CEMENT INDUS. LTD.	0.075	0
RAJ IMPORT AND EXPORT	0.0272	0
ROCK SAND MINERALS PVT. LTD.	0.0323	0
SAURASHTRA CEMENT LTD.	0.05778	0
SS ROCK LTD.	0.0421	0
Grand Total	2.83918	0.4895

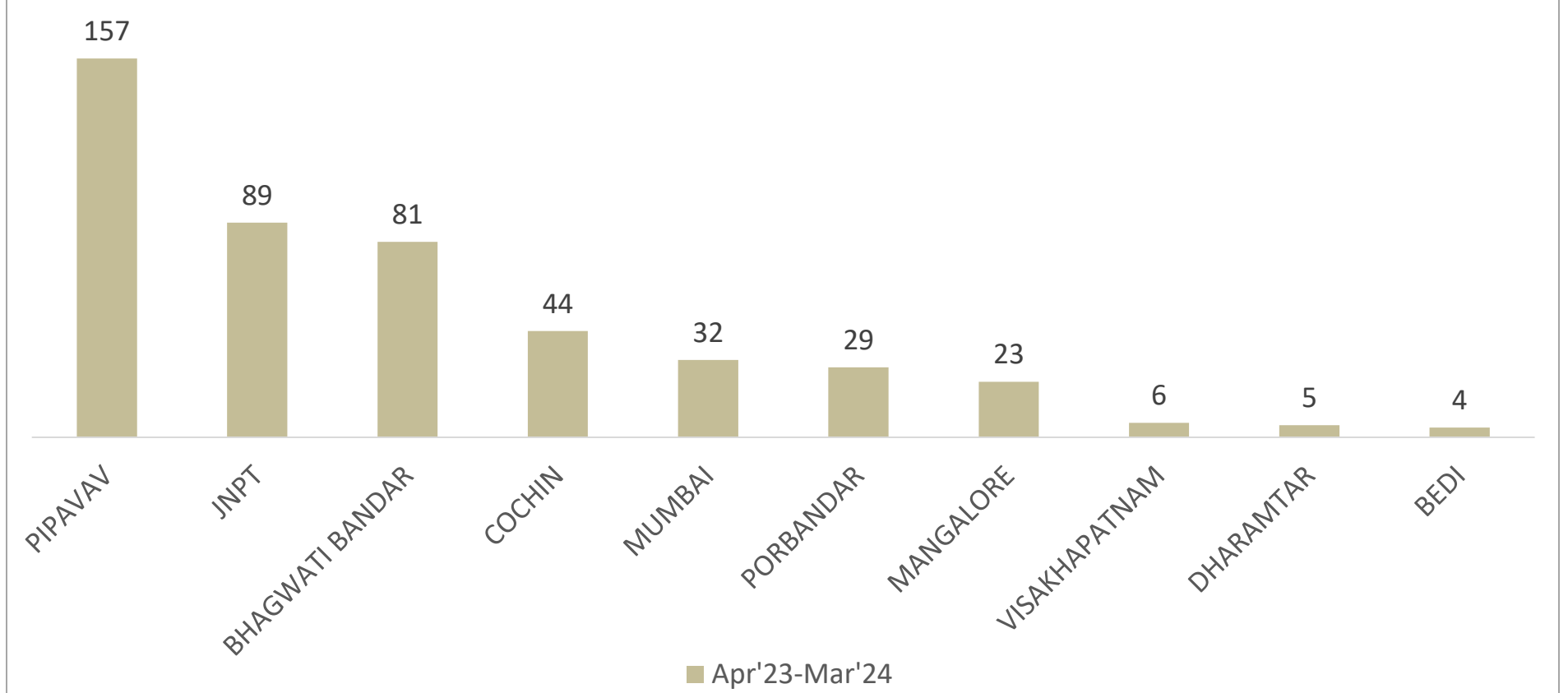
NOTE: Above Statistics is drawn from data received from Port and Custom Authorities, while all information is believed to be correct, the editors of this compilation or JM Baxi do not guarantee the authenticity of data.

Cement Imports between Apr'23-Mar'24 (Qty in Metric Tonnes)

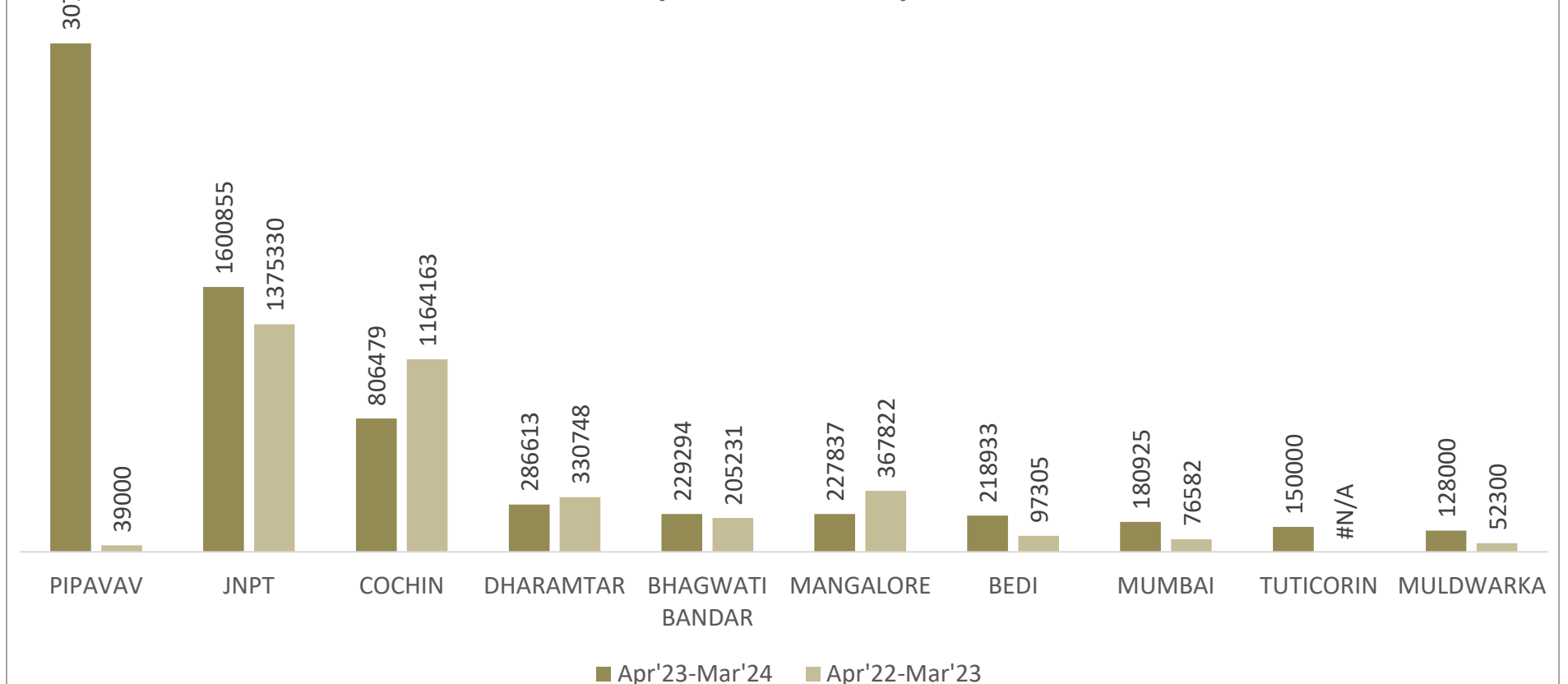
IMPORTERS	COASTAL	EXIM
ADANI CEMENT INDUS.	60768	
AMBUJA CEMENT LTD.	5855	
ARCELOR MITTAL NIPPON STEEL INDIA LTD.	2201	
FAIRMACS TRADING CO. PVT. LTD.	5794	
HATHI CEMENT LTD.	4650	
PENNA CEMENT INDUS. LTD.	50000	
ULTRATECH CEMENT LTD.	2799133	
ZUARI CEMENTS LTD.	5787	
VASUKI MINING & MINERALS PVT. LTD.		173637
OCEANIC TRADE MINERALS PVT. LTD.		94200
RM TRADEX		90998
COCHIN CEMENTS CO.		43000
JSW STEEL LTD.		286613
KALEESUWARI REFINERY CO.		55800
AMBUJA CEMENT LTD.		55000
GUJARAT AMBUJA CEMENT LTD.		55000
Grand Total	2934188	854244

- India's imports decreased by 8.38% in the period of Apr'23-Mar'24 at 3958852 MT as compared to the same period of the previous fiscal.

Cement Vessel Calls on Indian Ports



Traffic of Cement on Indian Ports (Metric Tonnes)



MARKET ANALYSIS



CEMENT MARKET ANALYSIS FOR APRIL 2024

CEMENT MARKET ANALYSIS

- Cement companies like Ambuja Cements, Shree Cement, Sagar Cements Ltd., Orient Cement Ltd., ACC, JK Lakshmi, NCL Industries Ltd., UltraTech, India Cements and Ramco Cements have all raised prices in April and are now clearing their order backlog with the old prices. There will be a price hike of 3-4% to sustain across India in the next few months, but this is something that will have to be checked.
- UltraTech Cement Ltd. has a pan India presence and contributes the most in terms of capacity for all regions. The company contributes 18.5% to the eastern region's cement capacity in the listed space, and 15.4% in the South.
- Dalmia Bharat Ltd. and Nuvuco Vistas Corp. contribute 18% and 12% to the total cement capacity in the East.
- During Q4 FY24, cement companies stand to benefit from lower fuel costs and healthy demand.
- Ultratech has significantly increased its grey cement capacity by commissioning 13.2 mtpa capacities across various regions post Q3FY2024, reaching a total capacity of 151.7 mtpa, including overseas capacity. This expansion enhances its market presence and strengthens its position in the cement industry.
- With region-wise capacity additions, Ultratech achieves a balanced regional mix, except in the South. It remains on track to achieve its domestic and overall capacity targets for FY2025 and FY2027, indicating a strategic growth trajectory. Additionally, substantial investments of Rs. 32,400 crores are planned for ongoing capital expenditure over the next three years to support this expansion.
- The significant increase in cement transported through Indian railways during Q4FY2024, both on a quarterly and yearly basis, indicates a revival in cement demand. This recovery follows a weak Q3FY2024, suggesting improving market conditions and demand for cement products.
- Ultratech, with its widespread presence across India and recent capacity expansions, is well-positioned to capitalize on the revived cement demand. The company's pan-India presence allows it to cater to increased demand across regions, potentially leading to improved sales volumes and performance.
- Cement companies have initiated price hikes ranging from Rs. 20-80 per bag in April, following a significant decline in Q4FY2024. The Southern region is experiencing a sharper rebound in prices due to a notable fall in the previous quarter.



MARKET HIGHLIGHTS

- **Cement companies hike prices in anticipation of demand revival**
- **UltraTech Cement has crossed 150 million tonnes of Production Capacity**
- **Shree Cement inaugurates 3 MTPA plant in Andhra Pradesh**
- **Navrattan Group plans to launch green cement in India**

Cement companies hike prices in anticipation of demand revival

- *The hike comes after five consecutive months of drop in cement prices on back of weak demand*

Cement companies have increased prices across India by ₹10-15 per 50 kg bag, after being under pressure last few months due to weak demand. Major cement companies have announced price hike ranging from ₹10-15 per bag in the North to ₹30-40 a bag in the Central and East. Similarly, in the western region, prices have gone up by ₹20 a bag, said a cement dealer. The price hike comes after five consecutive months of drop in cement prices on back of weak demand. Despite the weak demand in last few months, dealers expect the long-term growth story of India to remain intact supported by thrust on infrastructure, revival in the real estate sector and unveiling of industrial capex. Ashutosh Murarka, Cement Analyst, Choice Equity Broking, said cement companies are preparing to implement price hikes of ₹5-10 as discounts and promotional schemes expired last month. Moreover, a substantial price increase of about ₹15-20 is anticipated before the monsoon season to capitalise on expected heightened demand for construction materials, reflecting the dynamic market conditions for cement companies. Cement prices in the March quarter were down by about 5-6 per cent on a sequential basis after the industry prices declined for five consecutive months. Dharmesh Shah, Research Analyst, Emkay Global Financial Services, said the sharp rise in cement prices was introduced last September but had to be reversed in last five months and a price hike of ₹10-50 a bag is expected in April aimed at arresting the persistent decline in prices.

Higher sales seen

Sales volume in the March quarter is expected to increase in a high single-digit year-on-year against 5 per cent logged in December quarter. Demand may soften in June quarter due to the upcoming general elections, he added. The capacity utilisation level of the industry has moderated in last few years to fresh capacity addition in excess of demand. Between FY15 and FY20, the industry added about 103 mtpa of capacity, but demand grew only by 66 mtpa in the same period leading to lower utilisation levels pan-India, except in pre-election FY19, said CareEdge Ratings. The cement industry will add further capacity of 90 mtpa till mid-FY26 and this may go up to an addition of 140-150 mtpa by FY28-FY30. Ravleen Sethi, Associate Director, CareEdge Ratings, said the industry is on its path to add significant capacities, which may lead to oversupply, particularly in the medium term with demand slowing due to ongoing general elections when the construction activity generally slows down.

Source: *The Hindu Business Line*

UltraTech Cement has crossed 150 million tonnes of Production Capacity

- Recently commissioned three plants at Tamil Nadu and Chattisgarh and Uttarakhand with combined capacity of 6.4 million tonnes
- UltraTech has added nearly 19 million tonne of capacity over the last 12 months, and will further add more than 35 million tonne of capacity across 16 locations

Shree Cement inaugurates 3 MTPA plant in Andhra Pradesh

- This will propel Shree Cement's manufacturing capacity to 56.4 MTPA.
- By 2028 13 more plants will be operational which will take shree cement capacity to 80 MTPA out of which 5 plants will be operational by 2025

Navrattan Group plans to launch green cement in India

- Unlike conventional cement manufacturing processes, which are energy-intensive and release large amounts of carbon dioxide, green cement utilises alternative materials and other production techniques to minimise its carbon footprint.

Construction company, Navrattan Group, has announced that it is planning to introduce green cement into the Indian market. Green cement, also known as sustainable or eco-friendly cement, is an alternative to traditional Portland cement that significantly reduces carbon emissions and environmental impact associated with concrete production. Unlike conventional cement manufacturing processes, which are energy-intensive and release large amounts of carbon dioxide, green cement utilises alternative materials and other production techniques to minimise its carbon footprint. "The green cement will address the growing demand for sustainable building materials in India's rapidly expanding construction sector. With the country's infrastructure development reaching new heights, there is an urgent need for eco-friendly solutions that can meet both environmental and construction demands," Navrattan Group founder Himansh Verma said. The green cement is expected to revolutionize the construction industry by offering builders, architects, and developers a viable alternative to traditional cement without compromising on performance or durability. By leveraging advanced technologies and sustainable manufacturing processes, the group aims to set new standards of excellence in the field of construction materials, the Mumbai-headquartered company said.

Source: *The Economic Times*

REPORTS FOR APRIL 2024

J. M. BAXI. & CO. Monthly Agri Products Update

J. M. BAXI. & CO. Monthly Automotive Industry Update

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