CEMENT CHANNEL CHECKS

nuvama institutional equities

SECTOR UPDATE

Pricing momentum eases

Cement demand was subdued with prices moderating across regions (except north India) in Jul-25 on account of monsoon. Demand and pricing are expected to remain soft in the near term as the industry passes through a seasonally weak quarter. Monitoring of prices, therefore, becomes a key variable to keep tabs on during the lull period. Various cost-saving measures undertaken by players along with softening pet coke and non-coking coal prices (lag effect) are likely to aid profitability to some extent.

We believe the outlook is healthy for the cement space as both volumes and prices are likely to be better YoY in FY26E—aided by FY25's low base. JK Cement ('BUY') remains our top pick.

Takeaways by region

Eastern region: The region witnessed a subdued demand environment in Jul-25. A price cut of INR5–10/bag was taken. Hikes of INR10/bag have been announced by the companies in Aug-25; however, dealers have mentioned that sales have been muted at these elevated levels and should see a reversal as the month proceeds. They expect demand to remain soft in a seasonally weak quarter.

Southern region: Demand was subdued in Jul-25 on account of monsoon. A price cut of INR10–12/bag was seen in Jul-25. According to dealers, they expect some hikes in Aug-25, which will eventually be rolled back to keep prices at a steady level. Demand is expected to be soft as the monsoon has set in.

Northern region: Demand was steady in Jul-25 despite the monsoon and is expected to stay at similar levels in Aug-25. Prices remained largely steady in Jul-25. There are no announcements on price hikes or rollbacks in Aug-25. Dealers do not anticipate any major price cuts in Aug-25.

Central region: Demand was decent in Jul-25. It witnessed a cut of INR2–3/bag in Jul-25. No announcements on price hikes or cuts have been made in Aug-25; however, dealers feel the prices might come off a bit in Aug-25 due to the lean period. Dealers anticipate demand to be weak in the second quarter.

Western region: Demand in Jul-25 was soft on account of monsoon. The region witnessed a price cut of INR3–5/bag. No announcements on price hikes/cuts have been made yet in Aug-25.

Fuel prices are showing a mixed trend with international pet coke prices up ~3% and non-coking coal prices down ~1.5% as compared to Q1FY26 average prices.

All in all, prices came off in Jul-25 after being up in Q1FY26. Demand and pricing will be soft in Aug-25 due to the monsoon. Various cost efficiency measures undertaken by players along with softening fuel prices (lag impact) should help in keeping costs under check. We remain optimistic on the space.

All price charts cannot be included given the large of number of companies in our coverage. Specific charts may be available upon request.

Parvez Qazi
Parvez.Qazi@nuvama.com

Shrey Mehta
shrey.mehta@nuvama.com

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Abneesh Roy
Head of Research Committee
Abneesh.Roy@nuvama.com

ABNEESH KUMAR ROY

Digitally signed by ABNEESH KUMAR ROY
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