

Monthly Update

Prices slip further as demand stagnates

Quick Pointers:

- Avg. cement prices fell in East/West by ~Rs15/5, while remained flat in rest of the regions in Nov'25. All-India average declined by Rs4/bag MoM to Rs312.
- Muted demand keeps price hike off the table till early Jan'26; only hopes of infra led demand in few pockets.

We interacted with cement dealers across regions in India to assess demand and pricing trends in Nov'25. Our discussions indicate that demand remained muted across most markets, weighed down by sluggish construction activity, liquidity constraints, and delays in government fund flow. While a few markets saw marginal improvement, overall recovery was slower than expected at the time of GST 2.0 implementation. Prices largely remained flat MoM in the North, Central & South, but declined across the East and West regions as weak demand and rising competitive intensity limited the ability to sustain prices. Dealers across regions do not expect any significant price hikes in Dec'25, with several markets indicating that government restrictions, higher cement production and weak construction activities (e.g. GRAP in Delhi, sand unavailability in East) will keep prices capped at least until mid-January. The all-India price fell by ~Rs4/bag mainly due to sharp decline in Kolkata region.

Going forward, cement demand is expected to improve in seasonally strong period however strong base of H2FY25 and rising competition would limit price hikes. In the near term, companies having higher East/South exposure would be affected. We recommend to keep accumulating large cap players having strong market positions and a higher premium mix in this tough phase.

Northern Region

In **Delhi**, cement prices remained flat during the month. Demand was slightly better earlier in the month but has weakened sharply after the implementation of GRAP Stage 3 (to control AQI), which has led to a complete ban on construction activities. Dealers expect demand to remain tepid until the end of December, with no possibility of price hikes before mid-January. Compared to Oct'25, offtake is notably lower, and the market is expected to stay challenging until construction restrictions are lifted.

Jaipur cement prices remain unchanged from Oct'25 levels. Demand has improved slightly, though activity is still constrained by a shortage of bricks and limited stone availability post Diwali. Labour issues persisted until mid-month due to Chhath Puja and elections in Bihar. Dealers do not expect any price hikes until Dec'25 and some believe prices may remain unchanged for few more months. Government project activity is picking up, while a stronger volume recovery is expected from Jan'26 onwards.

November 28, 2025

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	Buy	1,866	2,374
Ambuja Cement	Buy	549	718
Dalmia Bharat	Accumulate	2,014	2,372
Nuvoco Vistas Corporation	Accumulate	371	459
Shree Cement	Accumulate	26,780	31,769
Ultratech Cement	Accumulate	11,620	13,425

Source: PL

Top Picks

Ultratech Cement

Ambuja Cement

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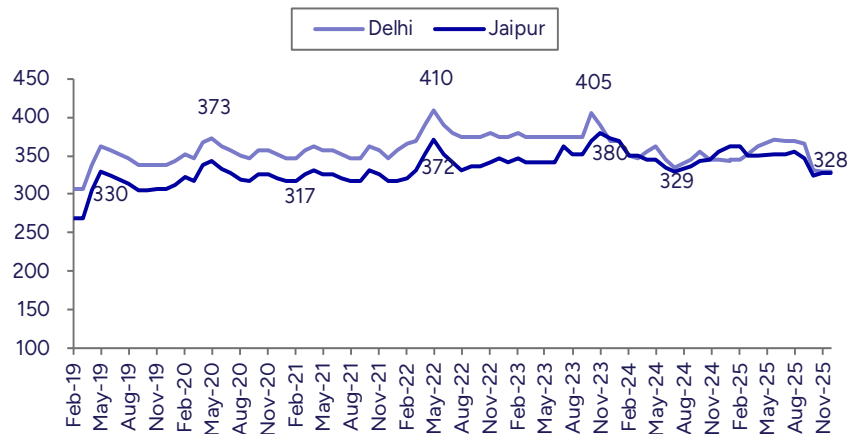
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Exhibit 2: Price remained flat on MoM basis on decent demand

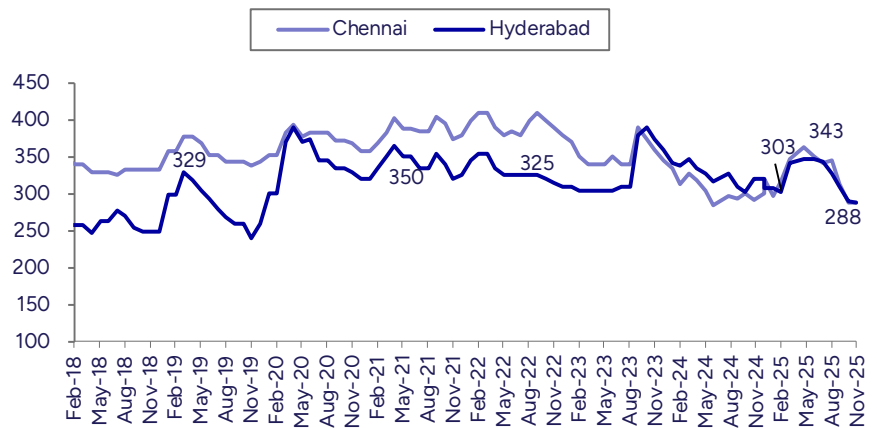


Source: PL

Southern region

Demand trends in **Chennai** were mixed during November. Some dealers reported slow demand due to subdued construction and infrastructure activity, while others cited moderate demand. Worker shortages continue to be a minor challenge, but conditions are gradually improving. Demand is expected to strengthen further in December, though any price increase is likely to be modest.

Exhibit 3: Prices remained flat after a sharp fall in the last month



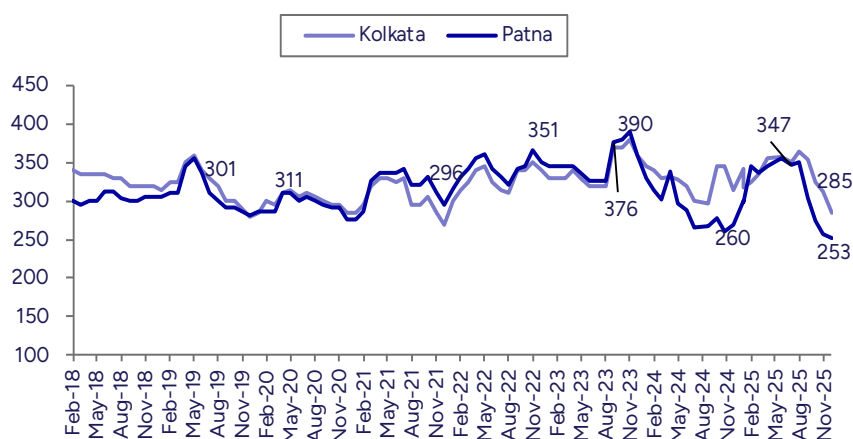
Source: PL

Demand in **Hyderabad** remains weak and has not recovered meaningfully after the festive period. Real estate activity continues to be sluggish, though dealers expect improvement in December when construction activities improve as festivities are behind. Prices have stayed flat MoM, constrained by aggressive pricing from a handful of large dealers trying to control the market. While some believe prices could rise by just Rs15-20, as the market is unlikely to accept higher levels amid muted demand.

Eastern region

Cement demand in **Kolkata** remains subdued, with construction activity across the city progressing very slowly and failing to recover post-festivals. Prices of tier A category brand fallen to Rs260/bag while in non-trade segment also prices have fallen to Rs235-240 levels. Dealers report no visibility on any upcoming price increase at this stage. However, one of the dealers mentioned about good demand seen in last week of November and expecting some price hike from 1st December.

Exhibit 4: Festivals and election led to decline in prices by ~Rs16/bag



Source: PL

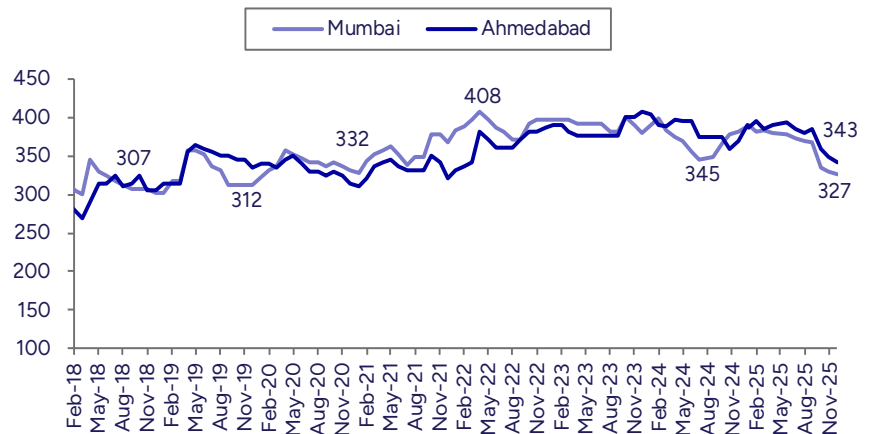
Cement demand in **Patna** has remained weak recently, impacted by the elections, wedding season, and labour shortages, which slowed construction activity and reduced public spending. However, dealers expect demand to improve within the next 1-2 weeks now that major events have concluded. They also anticipate a price increase in December, as current price levels are viewed as unsustainably low.

Western region

In **Mumbai**, cement prices remain largely unchanged MoM. Demand is very weak due to muted construction activity, a slowdown in the real estate market, and the impact of the upcoming BMC elections. While demand has inched up slightly, it remains far below normal levels. Dealers see no possibility of a price hike in the near term given current conditions, though some believe any attempt if at all may only come in January, subject to demand improving. However, recent deteriorating air quality can summon construction ban in few suburbs. Overall, market sentiment remains subdued.

Demand in **Ahmedabad** remains soft, primarily due to a shortage of labour as many workers have returned to Rajasthan for agricultural activity. Prices have not been able to sustain at higher levels due to weak demand, and there is currently no indication of an imminent price increase. Dealers expect demand to improve in the coming days and see the potential for price recovery in December if demand strengthens.

Exhibit 5: Prices declined Rs5/bag due to weak demand

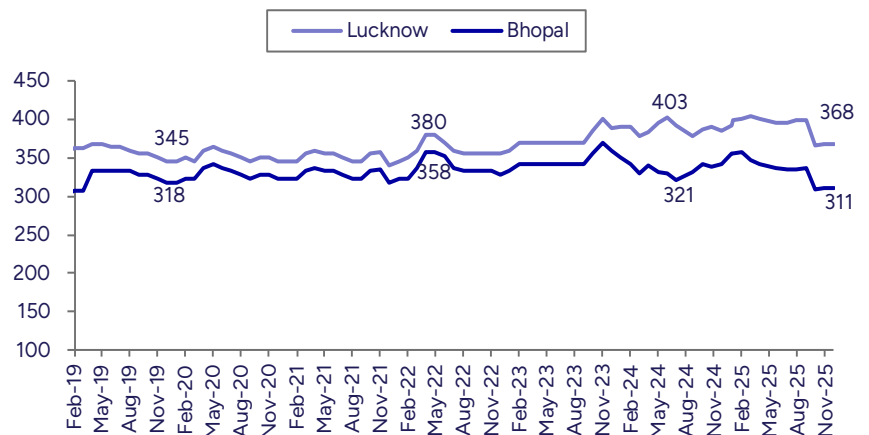


Source: PL

Central region

In **Lucknow**, cement prices have slipped by Rs5–10/bag MoM. The correction has led to a mild improvement in offtake, and demand is slightly better versus the last month, though still impacted by the ongoing wedding season and reduced construction activity. Market competition remains intense, with several brands aggressively pushing volumes. Dealers do not expect any price hikes in the near term and believe companies may eventually resort to production cuts if they intend to firm up prices.

Exhibit 6: Central region prices remained flat MoM

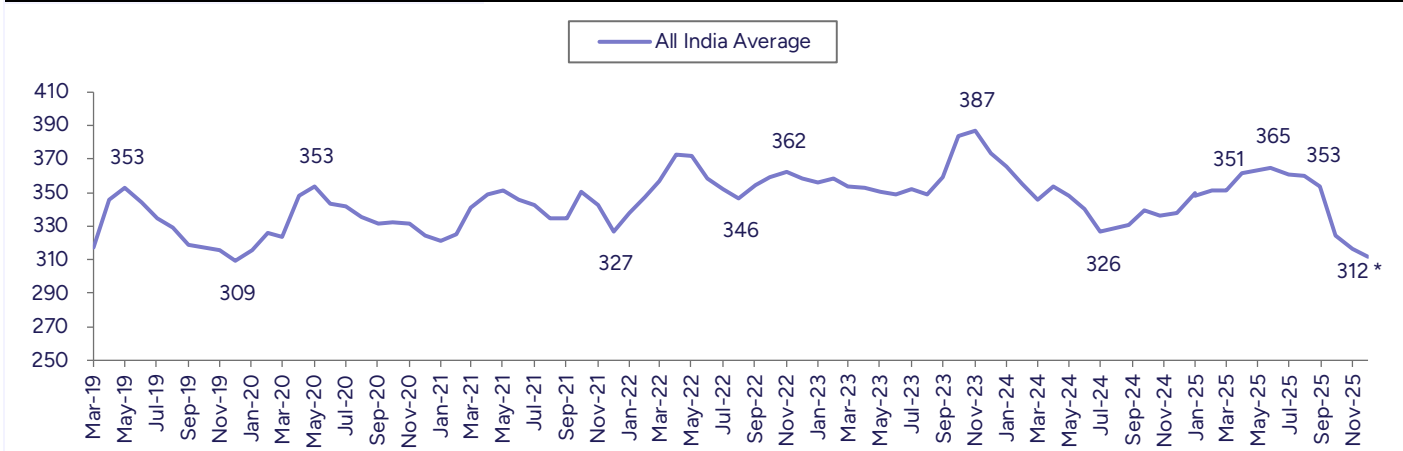


Source: PL

In **Bhopal**, cement prices are largely stable MoM, with a marginal Rs5/bag decline. Demand remains extremely weak, even lower than last month, primarily due to poor government fund flow and delayed payments to contractors and farmers, which has tightened liquidity across the market. Despite normal raw material availability and no labour shortage now, overall offtake has not improved, and dealers report intense competition, with many cutting incentives just to generate sales. With funding constraints persisting and market sentiment uncertain, no price hike is expected in the near term, including in December.

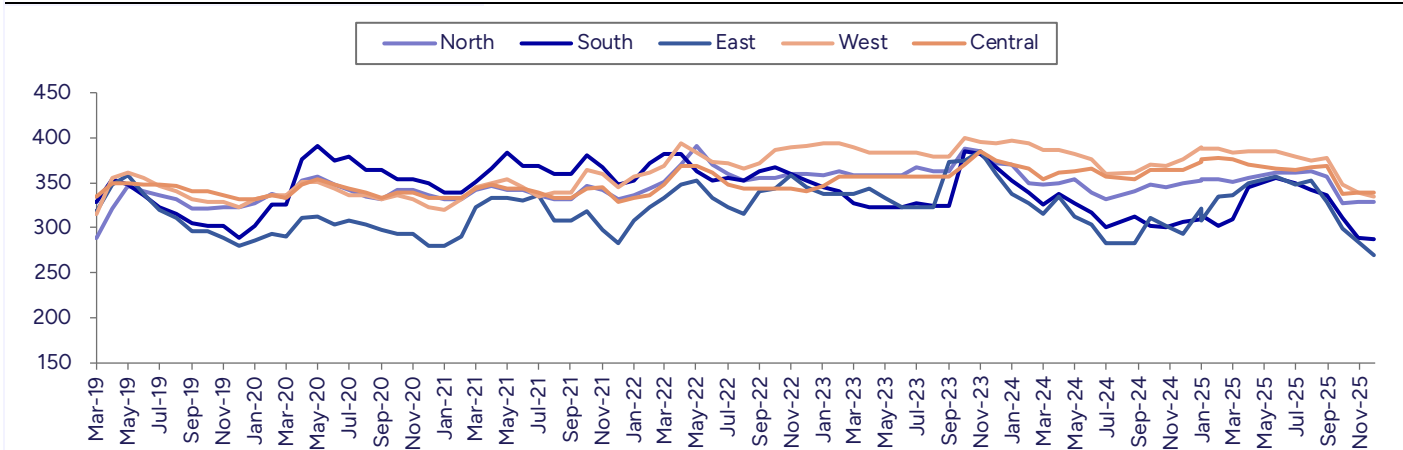
All-India pricing

Exhibit 7: All India average prices declined by Rs4/bag mainly led by sharp fall in Kolkata region



Source: PL

Exhibit 8: Cement prices in the Eastern/Western regions declined further during the month by Rs16/4 per bag



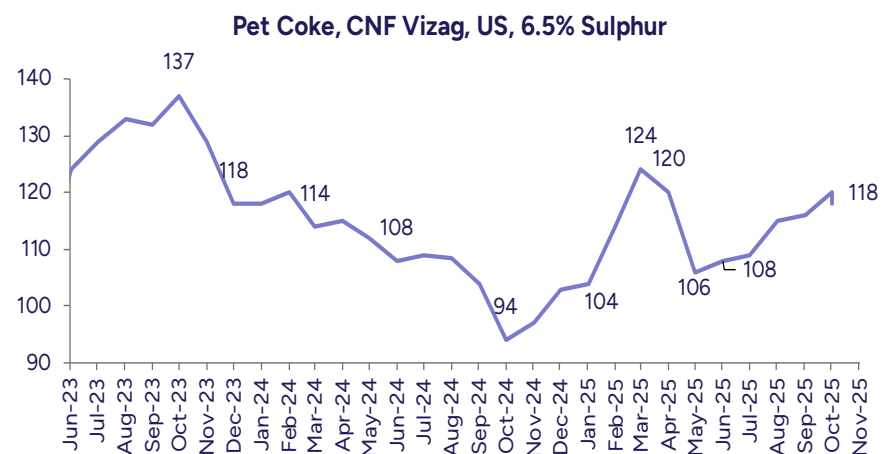
Source: PL

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	362	355	356	386	366	365
Jun-25	361	349	349	379	365	361
Jul-25	363	342	352	375	367	360
Aug-25	356	337	329	377	368	353
Sep-25	328	311	299	347	338	325
Oct-25	329	289	285	340	338	316
Nov-25	329	288	269	335	340	312

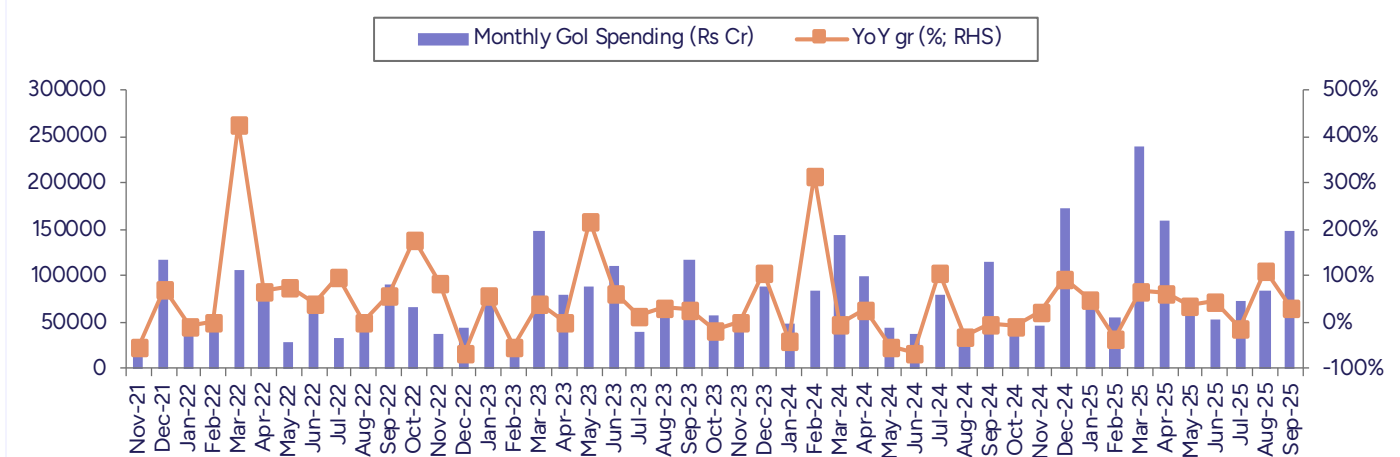
Source: PL

Exhibit 10: Imported pet coke moderated but still at higher level (USD/t)



Source: CoalMint, PL

Exhibit 11: Monthly government spending on track (52% of FY26 target)



Source: Industry, PL

Exhibit 12: Valuation Summary

Company Name	Mkt Cap (Rs mn)	CMP	TP	Rating	BV FY25 (Rs)	P/BV (x)	Revenue (Rs bn)				EBITDA (Rs bn)				PAT (Rs bn)				EV/EBITDA (x)				ROE (%)				ROCE (%)			
							FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E	FY25	FY26E	FY27E	FY28E
ACC	350.5	1,866	2,374	BUY	987	1.9	211.3	250.2	266.3	283.4	24.2	32.6	37.5	41.0	19.1	19.9	22.9	24.7	13.3	9.6	8.1	7.1	10.9	10.2	10.7	10.4	8	11.3	11.9	11.7
Ambuja Cement	1,351.9	549	718	BUY	217	2.5	350.4	444.6	491.7	546.7	59.7	78.0	102.8	120.7	41.8	31.5	37.8	70.7	23	18.5	14	12	8.8	5.7	6.4	11	7.3	7.7	9.8	14.5
Dalmia Bharat	377.7	2,014	2,372	Acc	927	2.2	139.8	155.8	174.8	194.3	24.1	34.3	40.2	44.0	7.2	15.2	16.8	19.1	16.1	11.3	9.9	9	4.3	8.4	8.6	9.1	4.9	8.6	9.4	9.6
Nuvoco Vistas Corporation	132.5	371	459	Acc	252	1.5	103.6	114.9	124.3	143.1	13.7	19.3	20.0	23.7	0.1	4.9	4.1	7.1	12.3	9.2	8.5	6.7	0.1	5.3	4.2	6.9	3.9	7.9	6.7	8.6
Shree Cement	966.2	26,780	31,769	Acc	5,969	4.5	191.7	209.6	229.3	253.5	38.2	51.1	57.4	65.4	11.2	21.3	22.6	20.5	23.8	17.5	15.2	13.1	5.3	9.5	9.4	8	3.6	8.6	9.3	10.5
Ultratech Cement	3,424.2	11,620	13,425	Acc	2,399	4.8	759.6	901.6	1,015.1	1,145.6	125.6	184.3	215.0	230.8	60.4	106.0	130.9	139.9	28.7	19.4	16.3	14.9	9.2	14.2	15.6	14.8	10.4	13.7	15.4	15.9

Source: Company, PL

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,374	1,882
2	Adani Port & SEZ	BUY	1,777	1,444
3	Ambuja Cement	BUY	718	577
4	Dalmia Bharat	Accumulate	2,372	2,250
5	Hindalco Industries	Accumulate	846	790
6	Jindal Stainless	Hold	748	743
7	Jindal Steel	Accumulate	1,151	1,071
8	JSW Infrastructure	Accumulate	338	309
9	JSW Steel	Hold	1,118	1,166
10	National Aluminium Co.	BUY	281	235
11	NMDC	Accumulate	86	77
12	Nuvoco Vistas Corporation	Accumulate	459	412
13	Shree Cement	Accumulate	31,769	28,585
14	Steel Authority of India	Hold	143	137
15	Tata Steel	Accumulate	196	177
16	Ultratech Cement	Accumulate	13,425	12,370

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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