Cement

Monthly Update

Demand recovery with selective price uptick

February 5, 2026

Exhibit 1: PL Universe

Companies	Rating	CMP (Rs)	TP (Rs)
ACC	BUY	1,692	2,150
Ambuja Cement	BUY	537	640
Dalmia Bharat	Hold	2,141	2,302
JK Cement	Acc	5,708	6,199
JK Lakshmi Cement	BUY	761	881
JSW Cement	BUY	116	145
Nuvoco Vistas Corporation	BUY	349	443
Shree Cement	Acc	27,460	29,242
Ultratech Cement	BUY	12,806	14,168

Source: PL

Top Picks

Ultratech Cement

Ambuja Cement

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Quick Pointers:

- Avg. cement prices increased in West/East/Central/South by ~Rs16/8/5/5, while remained flattish in North in Jan'26. All-India average increased by Rs7/bag MoM to Rs319 as of Jan-end.
- Dealers expect prices to further improve in February as demand strengthens on the back of Government spending.

We interacted with cement dealers across regions in India to assess the demand and pricing trends in Jan'26. Our discussions indicate that demand showed a gradual improvement across select markets, supported by easing weather conditions, better rural offtake, and resumption of construction activity, though recovery remained uneven in few regions. Pricing trends were mixed, with meaningful price hikes seen in the West (Mumbai) and East (Patna), supported by robust demand and supply constraints. However, in most North, Central, and South markets, price hikes were either limited, rolled back, or not fully accepted due to uneven demand and competitive intensity. The All-India average price rose by Rs7/bag mainly led by Mumbai, Patna and Lucknow. Companies are prioritizing volume push in weaker regions and price restoration in markets where conditions allow, as per our survey.

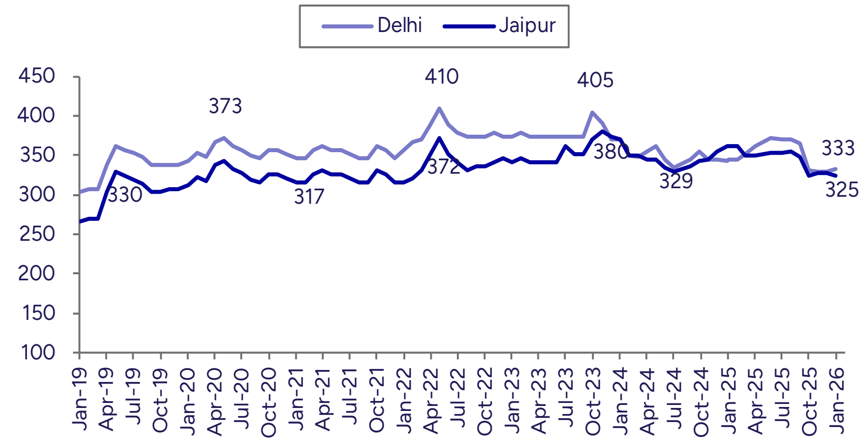
Demand is expected to strengthen as the sector has entered a seasonally strong quarter, with strong demand recovery visible across markets. Improving construction activity aided by GoI spending and better rural offtake should support volumes, while price restoration in markets that saw sharp corrections is likely to aid realizations and support EBITDA/t in the next two quarters, even as the recovery remains gradual and region-specific. We remain positive on players with Pan-India players having strong market positions and better execution capabilities. Top Picks: UTCEM, JKCE, ACEM & JSWCEMEN.

Northern Region

In **Delhi**, cement prices remain largely unchanged as demand continues to be impacted by recent construction bans, labour unavailability, and intermittent rains. While non-trade prices have increased by Rs10–15/bag, overall trade to non-trade differentials remain elevated at ~Rs50-60/bag. Dealers report early signs of demand improvement following the lifting of construction restrictions, but meaningful recovery is expected only from February. Any price hike of Rs5-10/bag is likely only in February or post-March closing, subject to sustained improvement in construction activity.

Jaipur cement trade prices remain largely unchanged, with the earlier proposed Rs5/bag hike not implemented due to weak demand and competitive pressures. Non-trade prices have increased by ~Rs15/bag. Demand was softer during the month, impacted by extreme cold and the wedding season, while rural offtake was also lower compared to Dec'25. While demand conditions are expected to improve going ahead, dealers remain divided on near-term price hikes, with competition and volume-led strategies likely to keep prices under check in February.

Exhibit 2: Price remained flattish on MoM basis due to construction ban

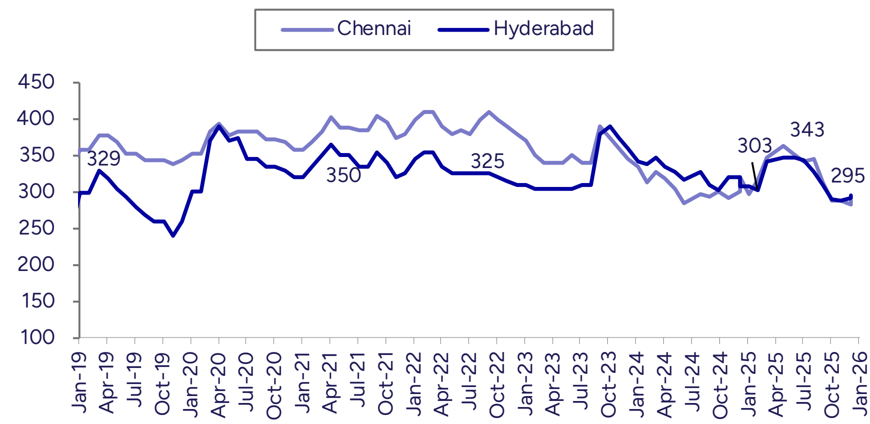


Source: PL

Southern region

In **Chennai**, demand has improved sequentially and is better than earlier months, supported by tight supply conditions. Although earlier price hike attempts were partially rolled back, dealers expect a fresh increase in February, which is likely to sustain given improving demand dynamics. Dealers expect infra demand to improve in next few months.

Exhibit 3: Prices increased by 5/bag led by modest uptick in prices



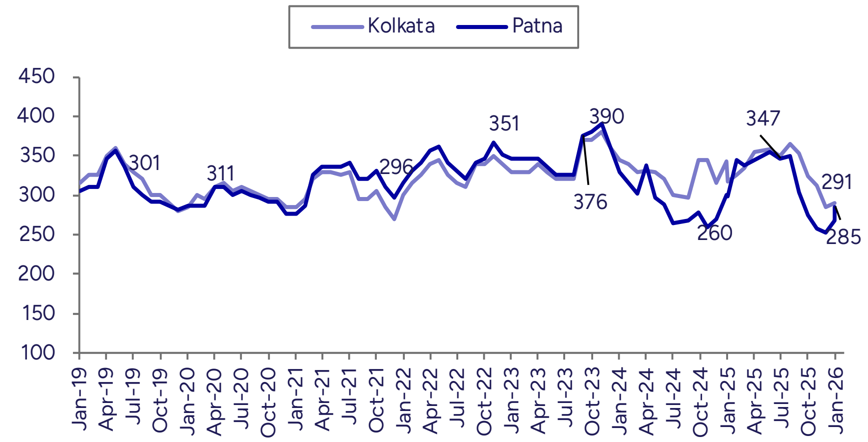
Source: PL

Hyderabad cement prices were increased at the start of January but failed to sustain, leading to a rollback from mid-month, leaving prices largely flat MoM. Demand has been good, especially in the second half of January, with strong traction for premium brands like UTCEM post-GST cut. Dealers expect demand to remain healthy in February and anticipate a Rs20/bag hike, though Ramzan could later impact construction activity and labour availability. As we write, companies have taken price hike of Rs20 w.e.f. 3rd Feb (not included in graphs) across trade & non-trade. Dealers said another round of Rs15 can be expected in mid-Feb'26.

Eastern region

In **Kolkata**, billing prices were increased in January, but market prices have remained unchanged since December due to persistently weak demand. While early signs of demand improvement are visible, the market is yet to accept any price hikes after nearly a year of sluggish conditions.

Exhibit 4: East prices increased by Rs8/bag led by sharp uptick in Patna



Source: PL

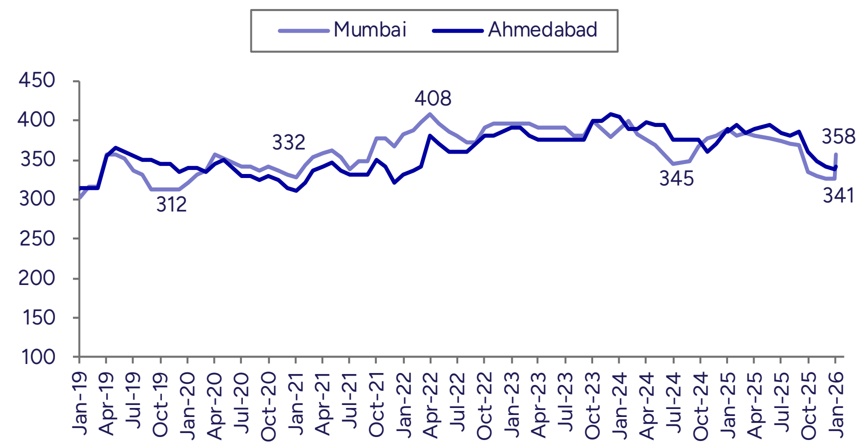
In **Patna**, cement prices were increased by Rs20-30/bag during January, with most of the month's sales occurring at ~Rs280-285/bag, before seeing a Rs10/bag correction towards the end of the month to around Rs275/bag. From February 1, dealers have implemented another Rs20/bag price hike. Despite these pricing actions, demand remains sluggish, with limited improvement and overall market activity largely flat on a month-on-month basis.

Western region

In **Mumbai**, cement demand has turned robust, supported by improving construction activity and better infrastructure execution. Prices have moved up meaningfully, driven by what dealers describe as artificial supply tightness created by leading players. Trade prices are up by ~Rs20-30/bag, while non-trade prices have increased by ~Rs40/bag. Dealers believe the current shortage led environment is supporting pricing momentum, with further improvement possible if demand momentum continues.

In **Ahmedabad**, cement prices have remained rangebound and unchanged since Diwali, with no hikes expected in February. Demand continues to be inconsistent strong on select days but very weak otherwise resulting in a slow market with limited pricing power.

Exhibit 5: Prices increased Rs16/bag led by robust demand in Mumbai

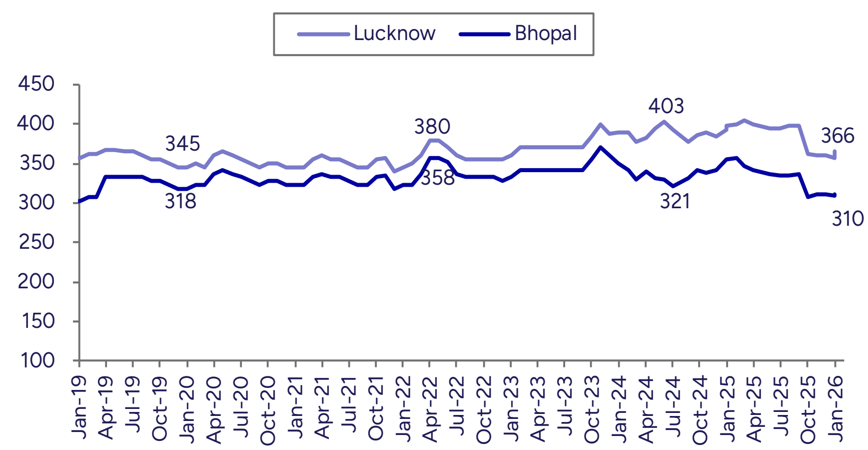


Source: PL

Central region

In **Lucknow**, demand is steady to good, supported by healthy rural offtake, though infrastructure activity remains muted. Trade cement prices are up by Rs10/bag MoM while non-trade prices are up by ~Rs20/bag. Dealers see scope for a Rs10/bag hike if demand sustains, with easing winter conditions expected to support activity in the coming weeks. Things are looking positive as far as volume is concerned.

Exhibit 6: Central prices increased by Rs5/bag on better demand in Lucknow

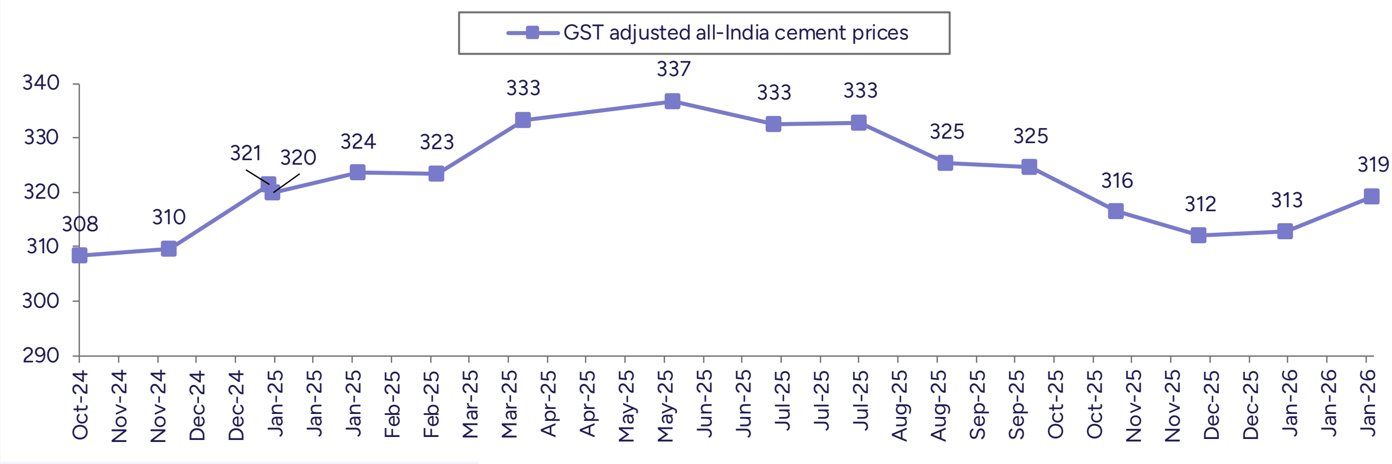


Source: PL

In **Bhopal**, cement prices remain largely unchanged from Dec'25 level, though some pockets of MP briefly saw Rs10/bag hikes that were rolled back due to lack of support from competing brands. Demand has improved and is better than the past few months, supported by rural offtake, but remains below potential as government fund releases are still uneven. Non-trade and trade price differential has narrowed to ~Rs40-60/bag. While demand conditions could support price hikes, companies appear focused on pushing volumes over pricing for now, keeping near-term price increases uncertain.

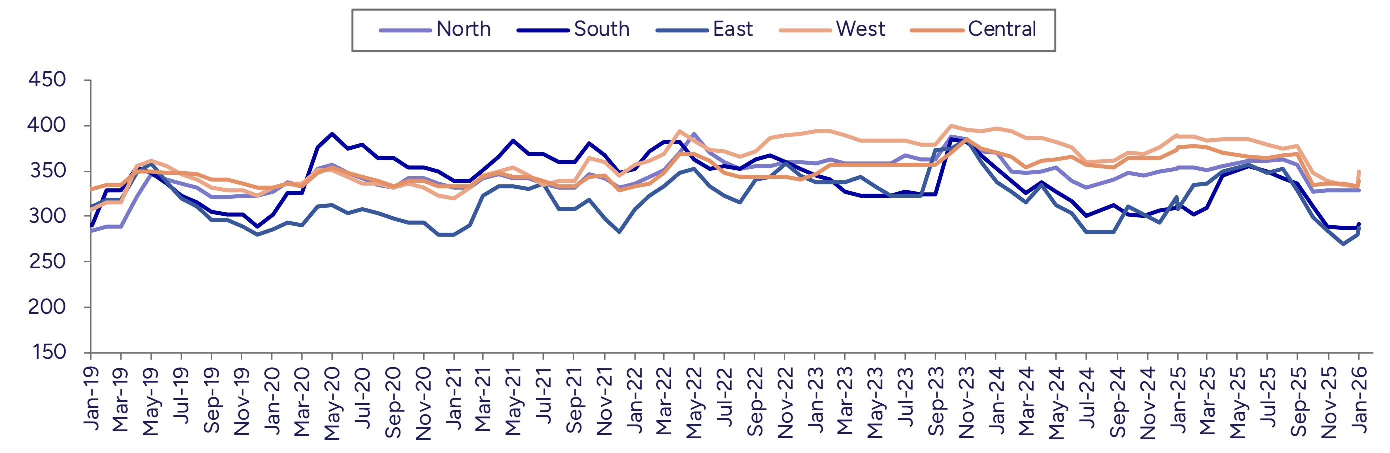
All-India pricing

Exhibit 7: All India average prices increased by Rs7/bag mainly led by sharp increase in Mumbai and Patna cement prices



Source: PL; adjusted for GST 2.0 rationalization

Exhibit 8: Cement prices in the Western/Eastern/Southern/Central regions increased during the month by Rs16/8/5/5 per bag



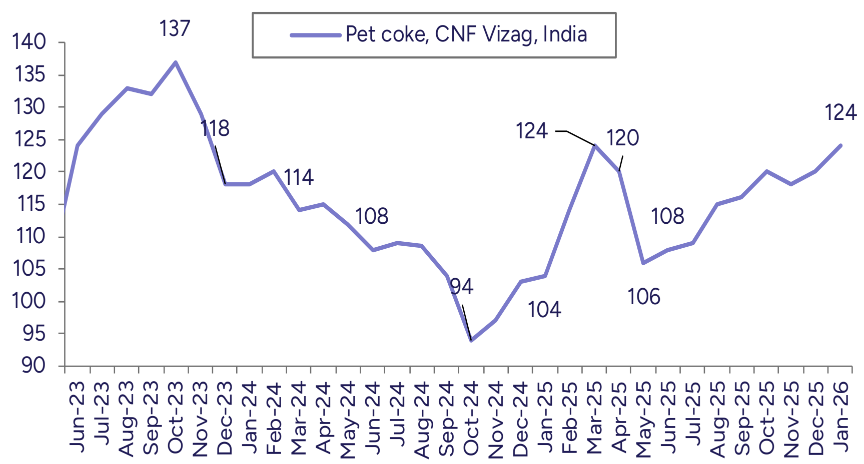
Source: PL; unadjusted for GST 2.0

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	335	324
Oct-25	329	289	285	340	336	316
Nov-25	329	288	269	335	336	311
Dec-25	329	287	279	333	334	312
Jan-26	329	292	288	349	339	319

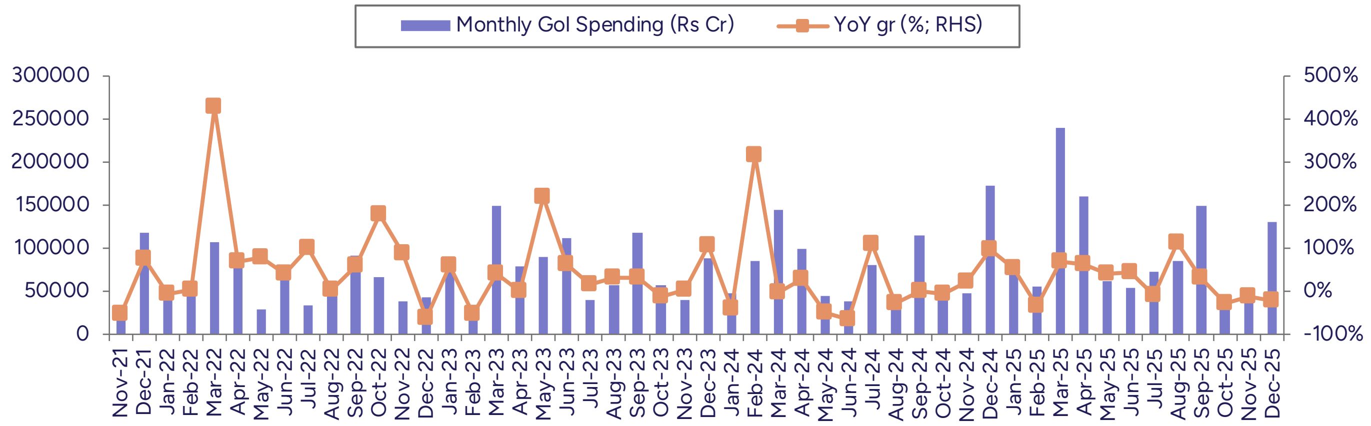
Source: PL

Exhibit 10: Imported pet coke inching up again (USD/t)



Source: CoalMint, PL

Exhibit 11: Monthly government spending picking up fast (9MYTD spent 70% 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*	318	1,692	2,150	BUY	1069	1.6	211	238	254	271	24	29	33	38	19	17	20	22	12.0	9.8	8.3	7.0	10.9	8.8	9.4	9.7	8.0	9.4	10.3	10.8
Ambuja Cement	1,327	537	640	BUY	233	2.3	350	417	470	523	60	74	99	118	42	33	39	59	22.6	19.2	14.6	12.5	8.8	5.9	6.6	9.4	7.3	6.7	8.7	10.7
Dalmia Bharat	402	2,141	2,302	Hold	985	2.2	140	151	169	196	24	31	37	45	7	13	15	20	17.1	13.3	11.1	9.5	4.3	7.1	8.1	9.5	4.9	7.4	9.1	10.6
JK Cement	441	5,708	6,199	Acc	908	6.3	119	142	163	187	20	26	31	36	9	10	13	16	23.8	19.3	16.3	14.0	15.0	15.7	17.4	17.4	12.6	14.6	15.6	15.8
JK Lakshmi Cement	94	761	881	BUY	327	2.3	62	69	77	88	9	10	13	15	3	4	5	5	12.1	10.0	9.0	8.7	8.8	11.1	11.8	11.3	10.3	11.4	12.0	11.3
JSW Cement	158	116	145	BUY	45	2.6	58	68	81	93	9	13	17	20	-1	3	5	6	20.3	15.6	12.5	11.0	-4.7	6.5	8.0	8.8	6.5	9.3	10.6	11.0
Nuvoco Vistas Corporation	125	349	443	BUY	264	1.3	104	115	127	141	14	18	20	23	0	4	5	7	11.7	9.3	8.1	6.8	0.1	4.6	4.7	6.4	3.9	7.2	7.0	8.1
Shree Cement	991	27,460	29,242	Acc	6351	4.3	192	211	234	258	38	49	54	60	11	19	20	17	24.4	18.6	16.7	15.1	5.3	8.5	8.4	6.9	3.6	8.0	8.1	8.4
Ultratech Cement	3,774	12,806	14,168	BUY	2590	4.9	760	898	1,019	1,153	126	169	218	257	60	81	118	138	31.5	23.4	17.9	15.0	9.2	11.0	14.6	15.2	10.4	12.3	16.2	19.1

*Source: Company, PL *ACC to be discontinued post amalgamation into Ambuja Cement*

Analyst Coverage Universe

Sr. No.	Company Name	Rating	TP (Rs)	Share Price (Rs)
1	ACC	BUY	2,163	1,755
2	Adani Port & SEZ	BUY	1,900	1,531
3	Ambuja Cement	BUY	640	510
4	Dalmia Bharat	Hold	2,302	2,232
5	Hindalco Industries	Accumulate	962	904
6	Jindal Stainless	Hold	784	756
7	Jindal Steel	Accumulate	1,171	1,102
8	JK Cement	Accumulate	6,199	5,790
9	JK Lakshmi Cement	BUY	881	761
10	JSW Cement	BUY	145	124
11	JSW Infrastructure	BUY	339	273
12	JSW Steel	Accumulate	1,292	1,170
13	National Aluminium Co.	Hold	356	385
14	NMDC	Hold	87	86
15	Nuvoco Vistas Corporation	BUY	443	350
16	Shree Cement	Accumulate	29,242	27,325
17	Steel Authority of India	Hold	151	149
18	Tata Steel	Accumulate	204	180
19	Ultratech Cement	BUY	14,168	12,369

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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