

The background of the lower two-thirds of the page is a photograph of a cement factory. The image is overlaid with a semi-transparent blue filter. In the foreground, there are large mounds of grey cement powder. In the middle ground, a yellow conveyor belt system is visible, leading to a large concrete structure. In the background, several tall, cylindrical industrial silos with yellow and blue horizontal bands are visible against a clear blue sky.

# CEMENT MONTHLY UPDATE

**January 2026**

## Early signs of price stability amid gradual demand recovery

We interacted with cement dealers across regions to assess pricing trends and the overall demand environment nationwide. In January 2026, the cement industry saw an upward trend, with increases in both trade and non-trade prices. On a pan-India basis, average trade prices rose by Rs. 11/bag to Rs. 330/bag. Overall demand remained moderate, supported by improved construction activity, higher infrastructure spending, favorable weather conditions, and better rural offtake. Dealers expect a meaningful improvement in prices over the coming months, driven by strengthening demand across most regions.

### Key regional takeaways:

**North:** North India experienced muted demand in January 2026, with most markets remaining subdued due to construction bans, labor shortages, and the wedding season across the region. In Delhi, demand was further impacted by intermittent rainfall during the month. As a result, cement prices increased only marginally. Dealers expect demand to recover in February as construction activity gradually picks up pace. Average prices in the North increased by 0.6% MoM to Rs. 337/bag in January 2026.

**East:** Cement demand in East India remained moderate throughout January. Dealers expect a stronger recovery in February as construction activity gains momentum. Prices in the region improved during the month, as manufacturers implemented hikes to capitalize on seasonal demand and rising cost pressures. Average prices in the East increased by 5.5% MoM to Rs. 290/bag in January 2026.

**South:** South India witnessed subdued demand in January, which led to only a marginal increase in cement prices. The slight uptick was supported by improving weather conditions and the gradual resumption of construction activity. However, in certain pockets, demand remained weak due to the limited availability of key construction raw materials. Dealers expect a pickup in demand from February as construction activity gathers pace. Average prices in the South increased by 1.6% MoM to Rs. 325/bag in January 2026.

**West:** Cement demand in the Western region improved significantly as construction activity gained momentum, particularly in Maharashtra. In contrast, other regions experienced moderate demand. Prices also improved during the month, supported by the uptick in demand and supply constraints imposed by leading players in the region. Dealers expect both prices and demand to improve further in February, driven by sustained growth in infrastructure activity and spending. Average prices in the West improved by 5.9% MoM to Rs. 360/bag in January 2026.

**Central:** Cement demand in Central India improved slightly, supporting a modest price increase. Construction activity picked up as winter conditions eased and laborers returned to work. Prices are expected to rise further in February as construction activity resumes at full pace. Average prices in Central India increased by 4.6% MoM to Rs. 340/bag in January 2026.

### Outlook:

The Indian cement sector saw a rise in demand in January 2026, with prices rising across most regions amid stronger construction activity and easing seasonal pressures. After a prolonged period of volatility, the industry is showing early signs of pricing stability. Dealers across markets highlighted that both trade and non-trade segments saw better pricing, reflecting improved execution at the ground level. However, challenges such as construction bans in the North and weak pockets in the South capped the gains. Cement companies across India have been actively pushing for price hikes at the start of the calendar year. While demand remained moderate in certain areas, the overall trend indicates steady consumption, particularly in regions witnessing infrastructure-led growth. Demand momentum is expected to be driven by both institutional and retail segments, including housing and rural construction, which have shown gradual improvement. From a supply perspective, the industry continues to add capacity and focus on maintaining pricing stability rather than chasing volume, which supports realizations. Most companies appear to be prioritizing pricing discipline over aggressive market share expansion. Additionally, macro cost pressures such as fluctuations in pet coke and coal prices, along with regulatory changes like the implementation of new labor codes, may provide room for manufacturers to pass on higher costs, thereby increasing price levels. Looking ahead, demand is expected to strengthen further, aided by continued infrastructure spending and supportive measures announced in the Union Budget 2026-27. As project implementation gathers pace, cement consumption could accelerate, improving both capacity utilization and realizations. Dealer interactions suggest cautious optimism, with expectations of further price improvement in the coming months. Risks remain from regional imbalances or input volatility, but the sector looks poised for 6-7% growth in FY27. Overall, the sector is entering a more stable phase, with balanced demand and supply dynamics likely to support medium-term pricing and profitability. **Overall, we remain positive on the industry, with players such as Ultratech, Ambuja Cements and JK Cement well-positioned to benefit from continued infrastructure spending.**

## Cement Monthly Price Update

Region (Rs./bag)	Jan-26	Dec-25	MoM	Jan-25	YoY
North	337	335	0.6%	375	-10.1%
East	290	275	5.5%	355	-18.3%
South	325	320	1.6%	360	-9.7%
West	360	340	5.9%	390	-7.7%
Central	340	325	4.6%	365	-6.8%
Pan-India	330	319	3.6%	369	-10.5%

Source : BP Equities Pvt. Ltd.

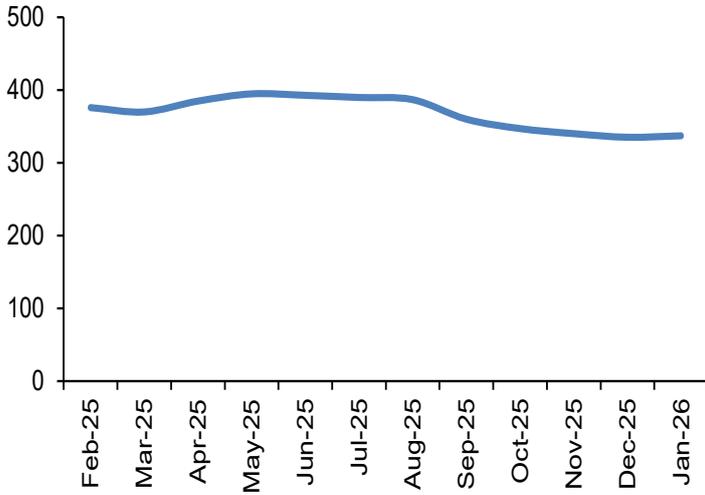
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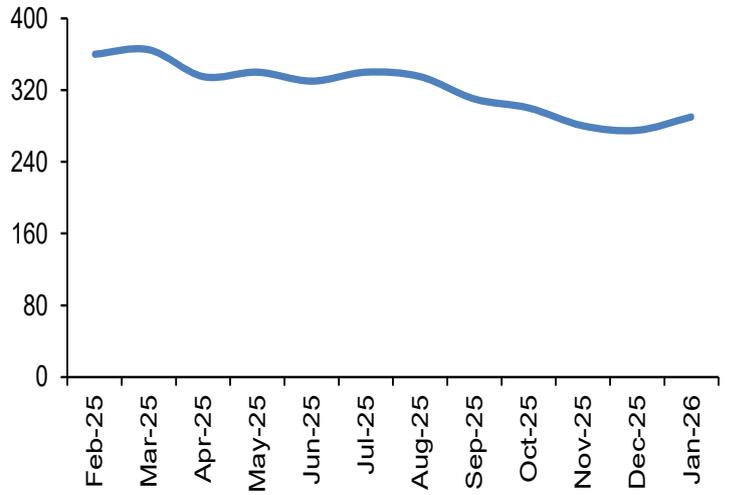
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# Cement Monthly Update (January 2026)

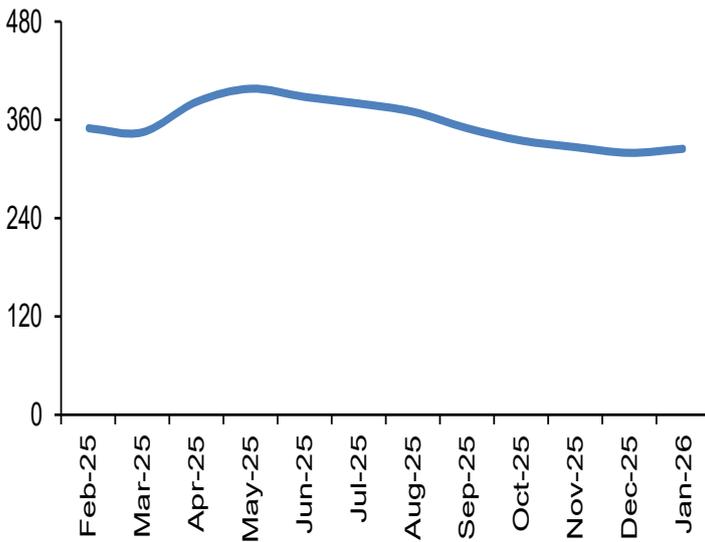
North prices increased marginally MoM (Price Rs./bag)



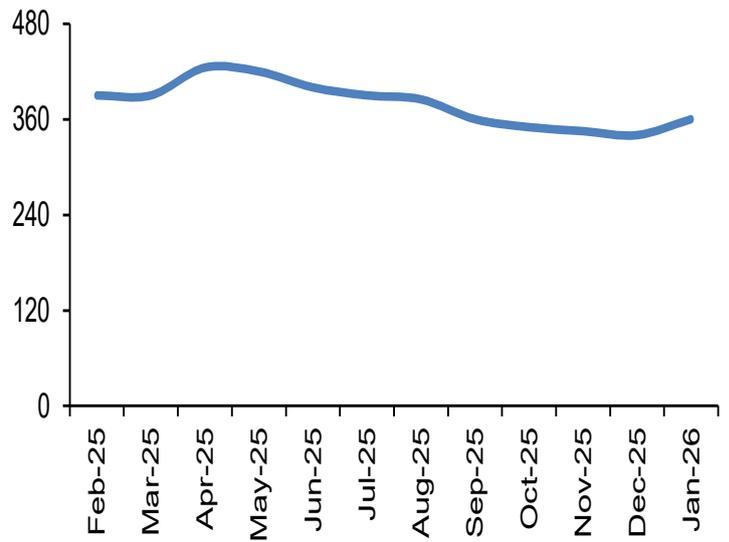
East prices increased MoM (Price Rs./bag)



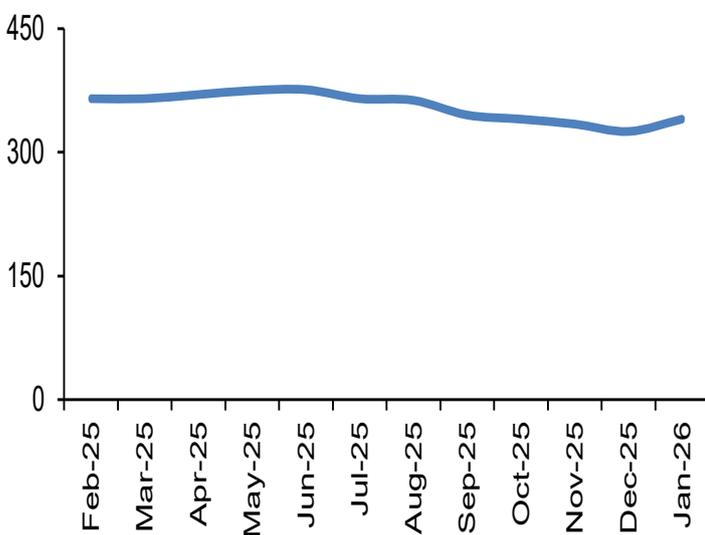
South prices increased marginally MoM (Price Rs./bag)



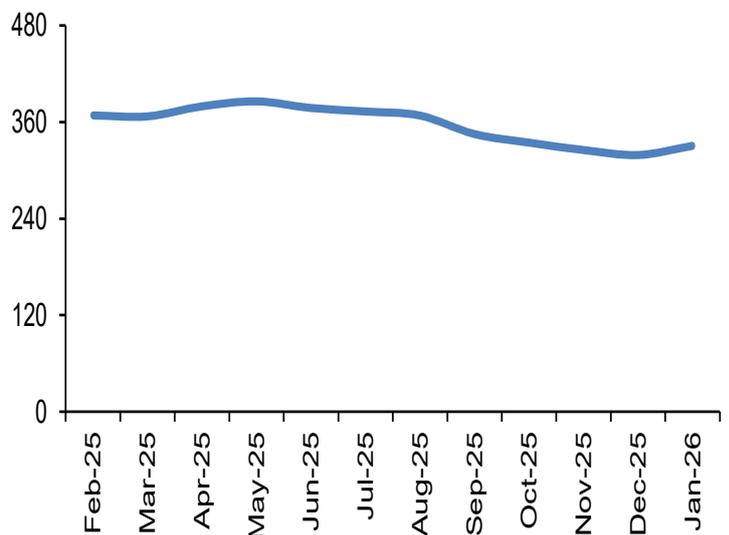
West prices increased significantly MoM (Price Rs./bag)



Central prices increased MoM (Price Rs./bag)



Pan-India prices increased MoM (Price Rs./bag)



# Cement Monthly Update (January 2026)

## Key Financials

Company	Revenue (Rs. Crs.)		EV/EBITDA		EBITDA Margin (%)		PAT Margin (%)		ROE (%)		P/E	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
Ultratech Cement Ltd.	88,399	98,864	24.4	19.8	19.0%	21.0%	9.4%	11.2%	10.9%	13.1%	46.1	34.7
Ambuja Cements Ltd.	41,768	48,084	19.3	14.8	18.1%	20.6%	8.8%	9.3%	6.1%	7.3%	36.0	29.4
Shree Cement Ltd.	21,010	22,993	19.0	16.6	22.5%	23.5%	8.9%	9.8%	8.3%	9.3%	50.8	42.1
JK Cement Ltd.	13,692	15,426	20.5	16.9	17.8%	19.3%	7.5%	8.3%	15.5%	16.9%	43.9	34.7
Dalmia Bharat Ltd.	15,070	16,605	133.6	11.7	20.6%	21.7%	7.7%	8.2%	6.4%	7.2%	35.3	29.8
ACC Ltd.	25,128	27,042	9.5	8.3	13.3%	14.2%	8.5%	8.3%	10.6%	10.3%	14.6	13.9
The Ramco Cements Ltd.	9,261	10,392	20.1	16.2	17.1%	18.8%	4.5%	6.0%	5.3%	7.4%	70.3	44.1
Nuvoco Vistas Corp Ltd.	11,419	12,522	9.6	8.5	16.4%	16.8%	3.6%	4.0%	4.5%	5.2%	30.2	24.4
Birla Corporation Ltd.	9,627	10,236	7.7	6.8	14.5%	15.6%	5.0%	5.9%	6.7%	8.0%	17.3	13.7
JK Lakshmi Cement Ltd.	6,917	7,743	9.7	8.1	15.3%	16.4%	6.3%	6.9%	12.1%	10.4%	19.3	15.8
Star Cement Ltd.	3,736	4,167	10.5	9.5	23.8%	23.6%	9.9%	10.2%	12.1%	12.4%	24.0	20.9
Heidelberg Cement India Ltd.	2,312	2,450	11.8	10.2	12.9%	14.1%	6.2%	7.1%	11.0%	13.5%	25.2	20.5

Source : Bloomberg, BP Equities Pvt. Ltd.

## Key Operational Performance

Company	Sales volume (Mt) (Q2FY26)	Q2FY26 Capex (Rs. Crs.)	FY26 Capex Guidance (Rs. Crs.)
Ultratech Cement Ltd.	39	~2,300	10,000
Ambuja Cements Ltd.	19	~2,600	9,000
Shree Cement Ltd.	9	NA	2,000
Jk Cement Ltd.	5	NA	~2,800
Dalmia Bharat Ltd.	7	513	2,700
Acc Ltd.	11	~2,600	9,000
The Ramco Cements Ltd.	4	222	1,100
Nuvoco Vistas Corporation Ltd.	5	NA	620-670
Birla Corporation Ltd.	4	100	800
Jk Lakshmi Cement Ltd.	3	NA	650
Star Cement Ltd.	1	~220	581
Heidelberg Cement India Ltd.	1	NA	60

Source : Company Reports, BP Equities Pvt. Ltd.

**Disclaimer Appendix****Analyst (s) holding in the Stock : Nil****Analyst (s) Certification:**

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