

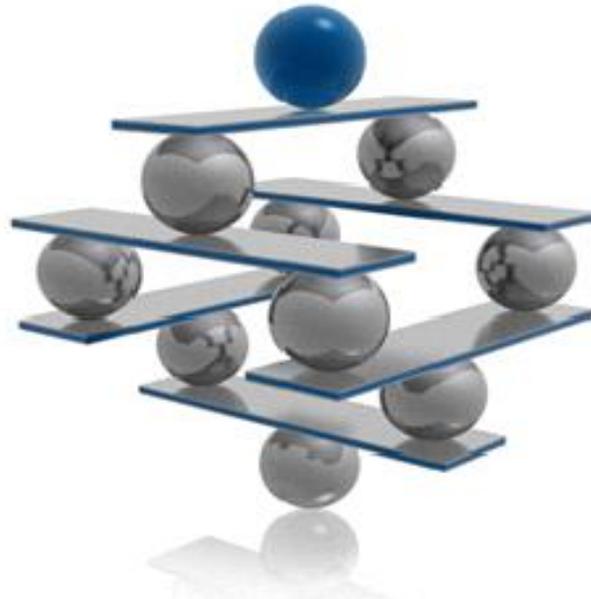
CARE Research

• A division of CARE Ratings •

Independent Research



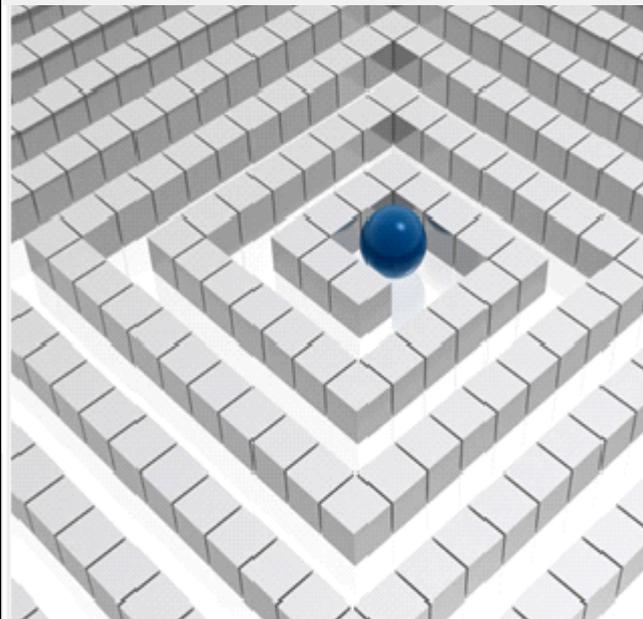
Robust Methodologies



Strong Capabilities



In-Depth Understanding



Team Endeavour



Custom Research



Cement Price Forecasting

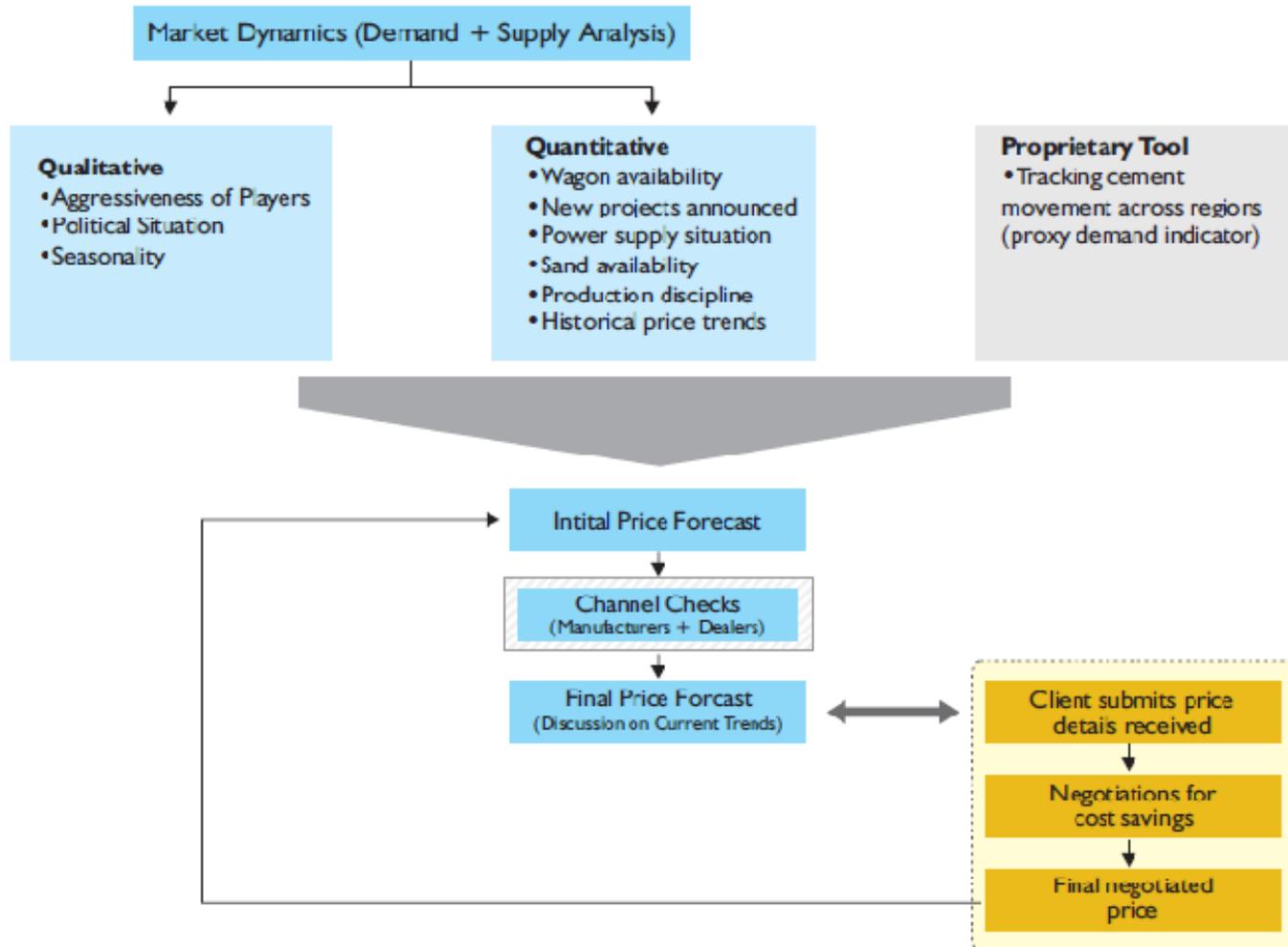
What we do...

- In this study, CARE Research would provide client, its outlook on cement prices for next two months on a monthly rolling basis. CARE Research would also provide qualitative reasoning on the parameters that are influencing the prices at each of the identified locations. The information required for the task would be collated mainly through detailed primary research. The study would be bifurcated into three modules as detailed below:
 - Module 1: Study of market dynamics at each project locations.
 - Module 2: Projections of cement prices for next two months on a rolling basis.
 - Module 3: Evaluation of price quotes received from the client at each of its project location.

Key objective of the study

- To help clients take an informed procurement decision and generate substantial cost savings.
- To provide projections for next two months across project locations, to help clients plan their procurement schedule.
- To keep abreast with what is happening w.r.t to factors that affect cement prices.
- To keep updated with the recent trend in cement prices.

Cement Price Forecasting Methodology



Key deliverables

- Excel sheet giving price calls of cement for next two months for client project locations every month on a rolling basis

Project name & Location	Type of cement	Current price	CARE Research's price projections for next two months	CARE Research's Remark

- Telephonic interaction (as per client's requirement).

Detailed Methodology

Parameter considered for price forecast

Primary parameters:

- Channel checks (Discussion with over 45 suppliers and 4-5 dealers/importers across the country)
- Check list for movement of cement (Analysis of cement movement is done for 16 zones with due focus on primary cement supplying zones)
- Distance analysis and players profile
- Quarterly result analysis (Result analysis of prominent players across regions)
- Project announcements made and projects under implementation (Number and cost of projects, with focus on cement consuming projects).
- Historical price trend analysis

Secondary parameters:

- Historical trend of inter-regional movement
- Trends of festival and sowing season

Channel check- Questionnaire

Channel check- Questionnaire

Primary parameters:

- Existing cement prices in the state /region/project location.
- MoM change in cement prices
- Existing price range for A class, B Class and C Class brands
- Existing price difference between PPC or PSC and OPC
- Demand scenario prevailing in the region

Secondary parameters:

- Status of new suppliers in the region
- Discuss the aggressiveness of the suppliers in the region
- Feedback on the production discipline plans if any
- Feedback on the labour availability
- Feedback on the sand availability and power supply situation
- Feedback on cash rotation
- Feedback on demand from retail and institutional segment
- Feedback on government projects and payment scenario
- Feedback on cement despatches in the region state or location

Checklist for movement of cement

Checklist for movement of cement

Primary parameters:

- Movement of cement by Railways from key supplying zones (NW, SC, SEC, WC, WR etc.,)
- Daily or weekly or MoM changes in number of **indents** and **destination**
- Change in supplier presence in any particular zone
- Aggressiveness of suppliers
- Readiness of suppliers to supply to longer distance

Secondary Parameters:

- Wagon availability
- Changes in railway freight (Change in base rate, busy season surcharge etc.,)
- Stocking of cement by suppliers
- Other remarks if any

Distance analysis and players profile

Distance analysis and players profile

- Distance of the project from the nearest cement plant
 - Including approved and
 - Non-approved but prominent player
- Analysis of primary and secondary freight for each players
- Analyzing product portfolio of the player

Quarterly result analysis

Quarterly result analysis

- Performance analysis of cement players across regions
- Operating profit margin and PAT margins
- Cost of making cement

Project announcements (YTD)

Project announcements (YTD)

- Analysis of the trends in project announcements, with focus on construction intensive projects
 - No of projects
 - Cost of the project
- Analysis of the trends in projects under implementation with focus on construction intensive projects
 - No of projects
 - Cost of the project

All Rights Reserved. No part of this report may be reproduced or transmitted in any form without prior written permission from CARE.

DISCLAIMER

This report is prepared by CARE Research, a division of Credit Analysis & REsearch Limited [CARE]. CARE Research has taken utmost care to ensure accuracy and objectivity while developing this report based on information available in public domain. However, neither the accuracy nor completeness of information contained in this report is guaranteed. CARE Research operates independently of ratings division and this report does not contain any confidential information obtained by ratings division, which they may have obtained in the regular course of operations. The opinion expressed in this report cannot be compared to the rating assigned to the company within this industry by the ratings division. The opinion expressed is also not a recommendation to buy, sell or hold an instrument.

CARE Research is not responsible for any errors or omissions in analysis/inferences/views or for results obtained from the use of information contained in this report and especially states that CARE (including all divisions) has no financial liability whatsoever to the user of this product. This report is for the information of the intended recipients only and no part of this report may be published or reproduced in any form or manner without prior written permission of CARE Research.

Head Office:

Mumbai: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022
Tel: +91(22) 6754 3456, Fax: +91(22) 6754 3457.

Regional Offices:

New Delhi: 3rd Floor, B-47, Inner Circle, Near Plaza Cinema, Connaught Place, New Delhi -110 001
Tel: +91(11) 2331 8701 / 2371 6199 / 2332 8524.

Kolkata: 3rd Floor, Prasad Chambers (Shagun Mall Building), 10A, Shakespeare Sarani, Kolkata - 700 071
Tel: +91(33) 4018-1600, 4018-1602 Fax: +91(33) 40181603

Chennai: Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai -600 002
Tel: +91 (44) 2849 7812/2849 0811

Ahmedabad: 32, Titanium, Prahaladnagar Corporate Road, Satellite, Ahmedabad - 380 015.
Tel: +91-(79)-40265656

Hyderabad: 401, Ashoka Scintilla, 3-6-520, Himayat Nagar, Hyderabad - 500 029
Tel: +91-(40)-40102030

Bangalore: Unit No.1101-1102, 11th Floor, Prestige Meridian II, No.30, M. G. Road, Bangalore - 560001
Tel: +91-(80)-41514599.

Pune: 9th Floor, Pride Kumar Senate, Bhamburda, Senapati Bapat Road, Shivaji Nagar, Pune-411015
Tel:+91-020-41201362

Jaipur: 304, Pashupati Akshat Heights, Plot No. D-91, Madho Singh Road, Bani Park, Jaipur - 302016
Tel: +91 (0141) -4020213/14

Mumbai: 503, 5th Floor, Kaledonia, Sahar Road, Off Western Express Highway, Andheri (E), Mumbai - 69.
Tel: 022 - 6144 3512

Website: www.careratings.com • Email: careresearch@careratings.com

List of Industry Research reports by CARE Research:

	Sector	Updates		Sector	Updates
1	Aluminum	Monthly	26	Passenger Vehicle	Monthly
2	Apparel Industry	Quarterly	27	Pesticides	Quarterly
3	Auto Component	Annual	28	Pharmaceutical	Monthly
4	Banking	Monthly	29	Pipe	Quarterly
5	Business Process Management (BPM)	Half Yearly	30	Ports	Quarterly
6	Cement	Monthly	31	Power Generation	Quarterly
7	Chlor-Alkali	Monthly	32	Power Transmission & Distribution	Half Yearly
8	Coal	Annual	33	Refining & Marketing	Quarterly
9	Commercial Vehicle	Monthly	34	Renewable Energy Sources	Quarterly
10	Construction	Quarterly	35	Retail	Quarterly
11	Cotton & Cotton Yarn	Quarterly	36	Roads & Highway	Quarterly
12	CRAMS Industry	Quarterly	37	Roads Freight Transport	Annual
13	Crude Oil	Quarterly	38	Seed Industry	Quarterly
14	Education	Annual	39	Shipbuilding	Monthly
15	Gems & Jewellery	Monthly	40	Shipping	Quarterly
16	Hospital Industry	Quarterly	41	Steel	Monthly
17	Hotel	Monthly	42	Sugar	Monthly
18	Housing Finance	Quarterly	43	Tea-Coffee Industry	Monthly
19	Insurance	Quarterly	44	Telecom Tower	Half Yearly
20	Iron Ore	None	45	Telecom-Wireless	Quarterly
21	IT Services	Quarterly	46	Tractor	Quarterly
22	Man Made Fibre	Monthly	47	Two Wheeler	Monthly
23	Manganese Ore	None	48	Tyre	Monthly
24	Natural Gas	Quarterly	49	Zinc & Lead	Monthly
25	Paper	Quarterly			

List of publications on the Cement Industry

- Detailed Report on Cement Industry, June 2013.
- Quarterly/monthly updates available from August 2011 onwards.

For more information, please contact;

Mr. Manish Sukhija

Group Head-Marketing (Research)

Direct: 022- 6754 3655

Mobile: +91-9820-35-36-38

Email: manish.sukhija@careratings.com



Thank You