Cement dispatches: Cement dispatches for the month of Sept-2018 stood at 3.4mn tons (including exports), compared to 3.2mn tons in Sept-2017, depicting an increase of 9.5%Y/Y. Clinker inventory showed an increase of 19.6%Y/Y and 3.0%M/M to stand at 40.94mn tons during September 2018. For 9M-18, cement dispatches stood at 33.2mn (including exports) tons compared to 35.2mn tons in 9M-17, depicting a decline of 5.8%Y/Y. Sales / clinker production ratio stood at 92.9% on YTD basis, where Najran cement registered the highest ratio at 151.9%.

Change in Cement Dispatches (Domestic Sales)  
Source: Yamama Cement, AlJazira Capital

Domestic cement dispatches showed an increase of 19.7% on monthly basis.

Cement and Clinker Exports (YTD)  
Source: Yamama Cement, AlJazira Capital

Cement and clinker exports stood at 2.75mn tons for the year. Total exports for September stood at 0.39mn tons.

Utilization Rate (TTM)  
Source: Yamama Cement, AlJazira Capital

Utilization rate of Saudi cement sector declined to 55.3% in Sept-18, compared to 63.8% in Sept-17.

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During Sept-18, clinker Inventories stood at 40.94mn tons recording an increase of 3.0% M/M.

Hail and Yamama cement recorded the highest Y/Y increase in dispatches of 106.0% and 58.9%, respectively. On the other hand, Northern cement showed the highest decline of 58.8% Y/Y, followed by Yanbu cement with decline of 50.3% Y/Y.

For 9M-18, Hail cement showed the highest increase of 61.1% Y/Y, followed by Tabuk cement with increase of 17.4% Y/Y. While Riyadh cement and City cement showed a decline of 35.6% Y/Y and 29.6% Y/Y, respectively.

Najran Cement and Northern cement showed the highest cement sales / clinker production ratio of 151.9% and 146.9% respectively. On the other hand, Umm AlQura and Arabian cement showed a cement sales/ clinker production ratio of 58.2% and 73.1% respectively.
Southern and Yamama cement recorded the highest market share, in Sept-18 of 16.6% and 12.3%, respectively. While Northern cement, recorded the lowest market share of 1.1%. Yamama cement increased its market share from 7.5% to 12.3%, while Yanbu cement market share declined from 14.5% to 7.4%.

Northern cement showed a decline of 27.6%Y/Y in its inventory level, followed by Riyadh cement which showed a decline of 16.8%Y/Y. On the other hand, Arabian and Umm AlQura cement showed an increase in the inventory level by 173.4%Y/Y and 134.5%Y/Y respectively.

On TTM basis, Southern and Yanbu cement recorded the highest market share of 13.2% and 11.6% followed by Saudi cement with market share of 11.5%.

AlJouf cement recorded the highest EV/Ton of SAR 997.5, followed by Saudi cement with EV/Ton of SAR 762.3. Whereas Najran cement recorded the lowest EV/Ton of SAR 333.6.
Cement Dispatches for September 2018
Saudi Cement Sector | Monthly Report

Yamama Cement

Dispatches ('000 Ton)(LHS) Change %(RHS)

Clinker Inventories ('000 Ton)(LHS) Change %(RHS)

Saudi Cement Co

Dispatches ('000 Ton)(LHS) Change %(RHS)

Clinker Inventories ('000 Ton)(LHS) Change %(RHS)

Qassim Cement

Dispatches ('000 Ton)(LHS) Change %(RHS)

Clinker Inventories ('000 Ton)(LHS) Change %(RHS)

Southern Cement

Dispatches ('000 Ton)(LHS) Change %(RHS)

Clinker Inventories ('000 Ton)(LHS) Change %(RHS)

Yanbu Cement

Dispatches ('000 Ton)(LHS) Change %(RHS)

Clinker Inventories ('000 Ton)(LHS) Change %(RHS)

Source: Yamamah Cement Company, Aljazira Research
Cement Dispatches for September 2018
Saudi Cement Sector | Monthly Report

Dispatches & Change

Tabuk Cement

City Cement Co

Hail Cement

Riyadh Cement

Safwa Cement

Source: Yamamah Cement Company, AlJazira Research
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**RATING TERMINOLOGY**

1. **Overweight**: This rating implies that the stock is currently trading at a discount to its 12 months price target. Stocks rated “Overweight” will typically provide an upside potential of over 10% from the current price levels over next twelve months.

2. **Underweight**: This rating implies that the stock is currently trading at a premium to its 12 months price target. Stocks rated “Underweight” would typically decline by over 10% from the current price levels over next twelve months.

3. **Neutral**: The rating implies that the stock is trading in the proximate range of its 12 months price target. Stocks rated “Neutral” is expected to stagnate within +/- 10% range from the current price levels over next twelve months.

4. **Suspension of rating or rating on hold (SR/RH)**: This basically implies suspension of a rating pending further analysis of a material change in the fundamentals of the company.

**Asset Management** | **Brokerage** | **Corporate Finance** | **Custody** | **Advisory**

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