

India

April 28, 2025 - 12:30 AM

Overweight (no change)

Agribusiness

Shrimpopedia: Apr 2025

- The US has paused its additional 26% tariff on Indian exports until 9 Jul 2025, but the 10% universal tariff remains active.
- India's shrimp exports to the US are resilient, with importers absorbing most of the 10% tariff and strong YoY growth in price as well as volume.
- India's shrimp sector maintains its leadership in the US, supported by supply reliability and rising global demand despite trade uncertainties (Fig.2- Page 2).

On-the-ground check:

Policy

- The US has suspended its additional 26% 'reciprocal' tariff on Indian exports for a 90-day period, effective from 9 Apr 2025, until 9 Jul 2025.
- This suspension aims to provide a window for the US and India to negotiate a bilateral trade agreement and avoid the imposition of higher tariff.
- During this 90-day pause, Indian exports to the US are still subject to the universal 10% tariff that was implemented on 5 Apr 2025.

Shrimp trade

- Importers in the US have agreed to absorb either fully or a major portion of the current 10% universal tariff.

Importers:

US

- Feb 2025 quantity: 64,145mt (+7.5% YoY)
- Feb 2025 price in US\$/kg: 8.3 (+8.2% YoY)

China

- Mar 2025 quantity: 67,642mt (-8.6% YoY)
- Mar 2025 price in US\$/kg: 5.2 (+5.8% YoY)

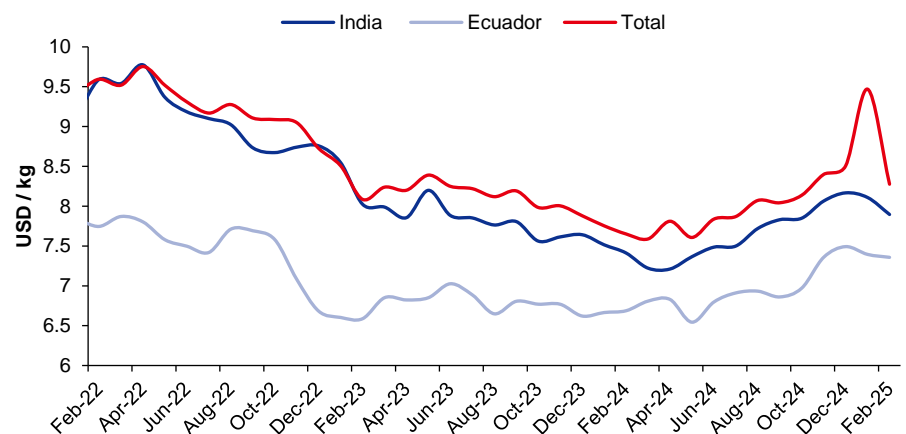
Exporters:

India

- Jan 2025 quantity: 49,058mt (+3.0% YoY)
- Jan 2025 price in US\$/kg: 7.2 (+12.6% YoY)
- Indian government's estimates on exports: (US\$) – Feb 2025 (+3.4% YoY) & Mar 2025 (+28.6% YoY)

Ecuador

- Feb 2025 quantity: 1,11,261mt (+21.5% YoY)
- Feb 2025 price in US\$/kg: 5.3 (+6.9% YoY)

Figure 1: US shrimp import prices

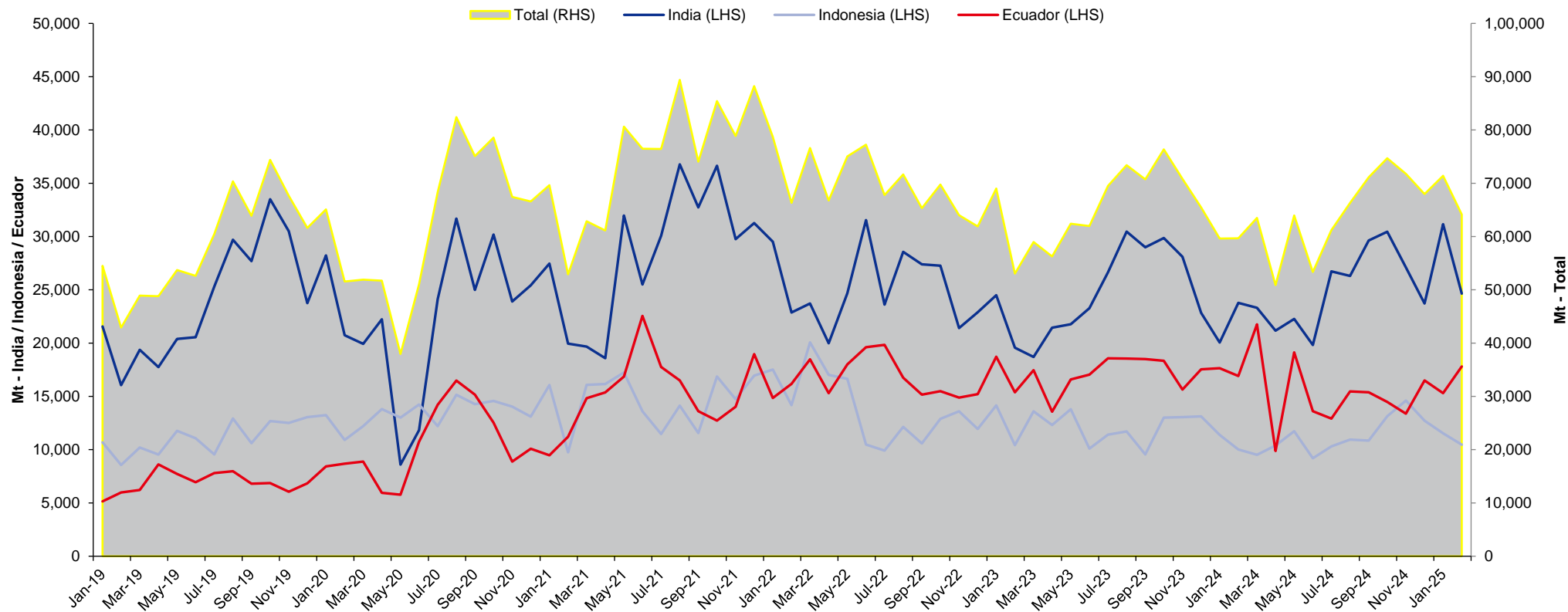
SOURCE: INCRED RESEARCH

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Figure 2: US shrimp import dynamics - India vs. Indonesia vs. Ecuador (*Note: The right Y-axis is halved for clarity — 100,000mt of total imports are plotted as 50,000mt, allowing easier visual comparison of country-wise contribution in 50% of US shrimp imports)



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Recommendation Framework

Stock Ratings

Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
Hold The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
Reduce The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

Sector Ratings

Definition:

- Overweight** An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
Neutral A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
Underweight An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

Country Ratings

Definition:

- Overweight** An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
Neutral A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
Underweight An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.