

Vietnam Fisheries

August shrimp exports positive again

Fisheries Analyst
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Positive maintain

Recommendations

Vinh Hoan Corporation (VHC)	BUY
Current Price	VND42,400
Target Price	VND47,100

Nam Viet Corporation (ANV)	BUY
Current Price	VND19,350
Target Price	VND21,700

Minh Phu Corporation (MPC)	BUY
Current Price	VND31,100
Target Price	VND31,700

August shrimp exports up 12% YoY & positive growth since February

Shrimp exports reached USD394.6 million in August and posted another month of positive growth at +11.8% YoY. Total shrimp exports for the first eight months of the year are now USD2.3 billion or up 8.4% YoY as Vietnam gains share in major overseas markets amid on-going disruptions from the coronavirus in rival countries. Prepared shrimps continued to sell well despite social distancing and lockdowns, with exports for *whiteleg* shrimp up 22.2% YoY and *black tiger* shrimps up 32.7% YoY during the first eight months of the year. Vietnam's total shrimp exports have largely been unaffected by the pandemic and have maintained positive monthly growth since February.

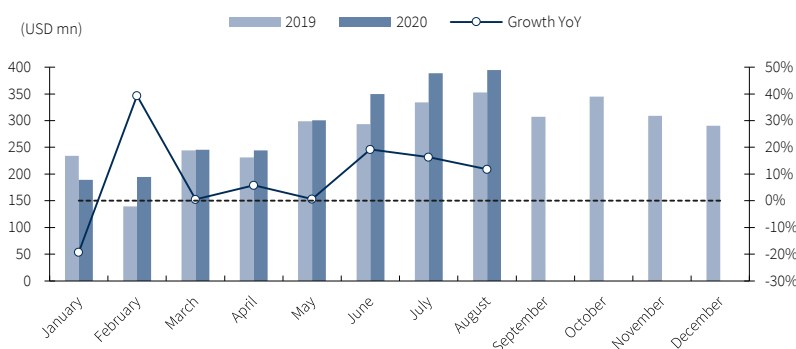
Continuing share gains in the US due to the pandemic & US-China trade war

Vietnam's shrimp exports to the important US market were USD109 million or up 28.6% YoY as shipments continue to benefit from ongoing pandemic-led disruptions at shrimp processing facilities in India. Another month of gains were also seen against Chinese competitors burdened by punitive tariffs from the US-China trade war. Vietnam's shrimp exports to the US have maintained positive growth since October 2019 and grew by 32.0% YoY to USD544 billion in the first eight months of the year.

EVFTA accelerates turnaround in EU shrimp exports

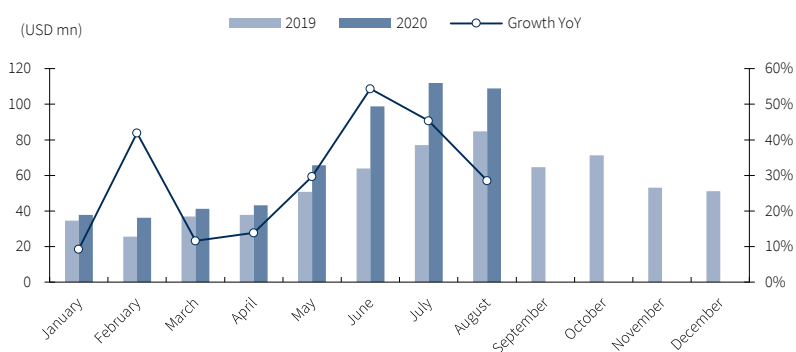
August's start of the EVFTA accelerated the turnaround in shrimp exports to the EU with August exports up an impressive 15.5% YoY to USD58.8 million. This was a sharp improvement to the positive 2.1% YoY growth seen in July after growth fell into negative territory between March and June due to the pandemic. The EVFTA immediately removed the 4.2% import tariff on frozen shrimp and helped to boost demand for Vietnamese shrimp in this price sensitive market. That said, shrimp exports to the EU are still down 1.6% YoY to USD313.7 million for the first eight months of the year but we expect year-to-date performance to turn positive again by 4Q.

Fig 1. Vietnam fisheries – Total shrimp export values & growth, Jan 2019–August 2020 (million USD, % YoY)



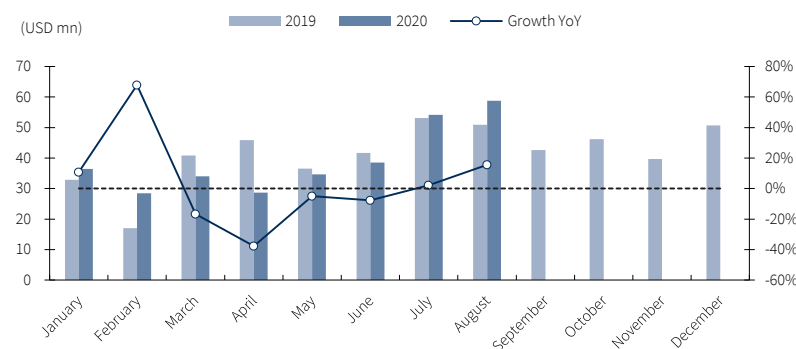
Source: Vietnam Association of Seafood Exporters & Producers, KB Securities Vietnam

Fig 2. Vietnam fisheries – Shrimp export values to the US & growth, Jan 2019–August 2020 (million USD, % YoY)



Source: Vietnam Association of Seafood Exporters & Producers, KB Securities Vietnam

Fig 3. Vietnam fisheries – Shrimp export values to the EU & growth, Jan 2019–August 2020 (million USD, % YoY)



Note: Export values to the EU exclude the UK

Source: Vietnam Association of Seafood Exporters & Producers, KB Securities Vietnam

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Investment Ratings for Stocks

(based on expectations for absolute price gains over the next 6 months)

Buy:	Hold:	Sell:
+15% or more	+15% to -15%	-15% or more

Investment Ratings for Sectors

(based on expectations for absolute price gains over the next 6 months)

Positive:	Neutral:	Negative:
Outperform the market	Perform in line with the market	Underperform the market

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