

APIs MONTHLY REPORT

Ver. APRIL 2020



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Comprehensive



Professional



Objective

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● Production Status

Due to the impact of the epidemic and logistics in February-March 2020, it was difficult for China's API factories to start production periodically. So some users at home and abroad were worried about production and actively stock that promoted the spot transaction in the market.

Since mid February, most bulk API price have been increased by 5%-10%. However, compared with the same period last year, it could be seen that the market demand for the product has not been increased, but declined. From March to April, the COVID-19 began to grow worldwide, the anti-epidemic materials were urgently purchased and stored in every country. The all materials for Anti-virus, anti-infection and other related drugs were badly in need. The global demand for intermediates increased greatly, so orders for related antibiotics and intermediate have increased significantly in domestic (market) , that prompting further active transactions and driving downstream raw material drugs to increase prices. In result , the prices of penicillin, antipyretic analgesics, vitamins, amino acids, quinolones and other categories have increased sharply, and the export volume has increased rapidly.

Around the International labor day in China, the prices of pharmaceutical raw materials were basically stable, and the prices of some commonly used drugs were at a high level , thus inquiries decreased in the market. In addition, due to the impact of the epidemic, the prices of global livestock and poultry were low, and the total amount of breeding in China was greatly reduced, at the same time nearly half of the breeding enterprises in the United States were closed, which has made a great influence on the following market demand.



● Exchange Rate

The exchange rate is stable at 1USD = 7.01RMB, currently unchanged.

● Transportation Situation

Corona Virus Disease-2019 also led to a stagnation of China's domestic logistics and transportation for a long time. By the end of February, the logistics has basically returned to normal. Sea ports are back to normal operation, but many sea routes in tight positions and need to wait in line. Air flights to some countries have been reduced or stopped, and the air shipping cost rised a lot recently.



1. Macrolide Series :

Tylosin tartrate: Tylosin is a typical swine use drug. Since the outbreak of ASF in 2019, Tylosin remained at a low price level in the first quarter of 2020, actually price is close to the cost line. The price of Tylosin rebounded slightly due to the impact of the COVID-19. In the later period, the cost of Tylosin was increased due to the rise of corn, soybean meal and other raw materials. However, due to the backlog of pre-orders from domestic factories, which delayed estimated shipment, the manufacturers have strong willingness to rise prices, which has promoted the upward trend of Tylosin. The market price in April was close to \$ 29 - 30 per kg. With the increase in the raw materials of Tylosin, the cost of Tilmicosin also increased.

Erythromycin Thiocyanate: Since Erythromycin Thiocyanate is one of the main raw materials of macrolide antibiotics, the market price of Erythromycin Thiocyanate experienced a low to higher price changes in the first quarter with the impact of COVID-19 especially in the period of Chinese Spring Festival holidays. The main reason is that the production capacity of HEC Hubei factory was influenced, the price of raw materials continued to rise. Meanwhile the market for its derivative Azithromycin is hot, and the domestic and foreign markets are becoming more concerned about this product. Due to the delay in the delivery of orders received in the first quarter, The price of Erythromycin Thiocyanate has been maintained at a high level, and there are signs shows that this product would continue going upward.

Azithromycin: At the end of March, the market reported that the combination of Azithromycin and Hydroxychloroquine Sulfate could effectively inhibit the coronavirus, resulting in a substantial increase in demand for Azithromycin, a rapid increase in prices, a decrease in the domestic market spot, and traders reluctant to sell it. Subsequently, due to changes in market heat, Azithromycin remained at a high level and gradually stabilized. The market transaction price was between \$ 140 - 145 per kg. Due to the cost increased of Erythromycin Thiocyanate, Azithromycin will not have large price changes in market for a while.

2. β -lactams Series :

Amoxicillin: As one of the important downstream products of the penicillin industry, the price change of Amoxicillin API is closely connected with the price of industrial salt. Recently, the industrial salt market has been actively procured, the main factories offer high prices, and the low-price inventory consumes quickly.

During the epidemic, due to the shortage of raw materials and the cost of environmental protection, some main manufacturers stopped the offering during the period, which also caused the market supply to be insufficient, resulting in a rapid increase in prices. After a period of low-cost inventory consumption, there only few low cost goods in the market. Manufacturers have begun to resume production and quotations, most of the current delivery date is around late May. The market price is between \$ 22.5 - 23 per kg, the market is stable and strong.

Benzathine penicillin: The price of this product has remained stable throughout the year. Recently, due to shortage of raw materials and insufficient market supply, prices have start rising. The price has risen from \$ 38 to 43 per kg. At present, the delivery time of main manufacturers has also been arrange at late June.

3. Aminoglycosides Series :

Neomycin sulfate: Affected by the epidemic in the early stage, Yichang Sanxia, which accounted for more than half of the market supply in Hubei Province, stopped confirming orders and delivering. In early March, Jinyao Xinrui Henan Industrial Park was rectified, production was restricted, and market prices continued to rise. Other factories are slightly nervous about market acceptance, The market price in the first quarter was about \$ 18 - 20/Bou.

In near future, The supply of main factories will gradually recover after end of April, and the price will be adjusted to a higher position in the early stage. However, due to weak market demand and low transaction volume, the market price tension has eased slightly.

4. Tetracyclines Series :

Doxycycline hcl: Right now price is stable at high level, manufacture Hold the price with limited delivery.As per current market, Price is around \$ 84 - 88 per kg based on Different brand. The trend is kind of going down, but it is still based on the mfg's will.

OTC Base: Market is soft and price is stable, Current market price is around \$ 10.5 - 12 per kg, and for **OTC Hcl**, Price has drop from high point and stable at present, for big brand, Market price is around \$ 17.5 - 18.5 per kg, and for small brand, mfg can do around \$ 16 - 17 per kg, the future trend is stable and maybe going lower a little, but there is no much room for decrease.

Chlortetracycline hydrochloride: market is stable. The main manufactures price is similar, price range is from around \$ 24.5 - 26 per kg. Right now delivery is normal and price seems to be stable in this month.

5. Amido alcohols Series :

Florfenicol: At the beginning of April, every florfenicol factory is in great tight production, but due to the sufficient supply of raw materials, the market prices were generally stable around \$ 59 per kg. The stock goods market price was higher, around \$ 59.5 - 60 per kg;

However, by the end of April, the demands were gradually reduce, and the factory's production was gradually resume, which led to the gradual decline of the market price.

The factory would provide better price support for some orders of long-term delivery, and the market price at the beginning of May was stable at \$ 58- 58.5 per kg, which is expected to remain stable in the short term or show a slow decline trend.

6. Lincomamides Series :

Lincomycin: Lincomycin is a very hot during whole April. The delivery is very tight, for some factory delivery is arranged to July. Accordingly, the price increased a lot from around \$ 40 - 50 /Bou to \$ 45 - 50 /Bou among different factories. The main reason is that the top factory for lincomycin Topfond is moving factory address , it estimated to be finished till at least Nov this year. Besides, during past long time, Lincomycin price was at a history level which mfg were bearing loss. With this juncture , factory improve the price a lot. For future trend , it will be strong stable and even keep up, the delivery will also keeping tight, as Topfond need moving address till at least Nov this year, and later will be summer season , most of factory will stop production for annual machine inspection. The production capability will further reduce.

7. Quinolones Series :

Enrofloxacin/Ciprofloxacin Hcl: Main producers didnot recovery the production, and market price still in high level. Market price around \$ 26-26.5 per kg.

Future forecast: The product will keep tightly supply in short time and price will not big change .

Norfloxacin: The price have risen because of the increase price of raw material Diethyl Ethoxymethylenemalonate. Market price around \$ 34.5 - 35 per kg.

Future forecast: the raw material price is escalated and there may be a slight increase in the short time.

Levofloxacin: Price increased because of rising raw materials. Market price around \$ 37 - 38 per kg. Future forecast: the price remains the current status within a short period of time.

8. Sulfonamides Series :

Sulfadiazine (sodium): Since the explosion in Yancheng in 19, the raw materials have been very tight. The price once increased by 40%. The price continued to be high in the first quarter of this year. The market price is between \$ 32.8 and \$ 33.5 per kg. Since the current raw material price continues to be stable, there will not be much fluctuation in a short time.

Sulfamethazine (sodium): The price has been relatively stable in the past month without large fluctuations. The market price is between \$ 11.9 - 12.1 per kg . The raw materials are currently in a stable stage, and the price will be stable in the near future.

9. Nitrofurans Series :

the supplying and production from main makers are stable, lead time can be immediatly, market and price should be a smooth trend.

Furaltadone: market price around \$ 17 per kg

Furazolidone: market price around \$ 11 per kg



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