

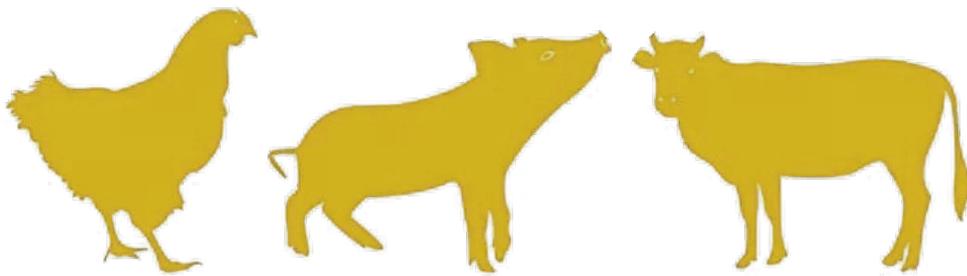
MAY

AMINO ACID MONTHLY REPORT





Amino Acid Monthly Report



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【Hotspot】

➤ The corn market is expected at highs

Up to now, the Chinese domestic corn spot market has continued to be a positive trend of upraise. The stock in the market is constantly depleted, and the current temporary storage has been decrease to 56 million tons. Feed consumption will decrease and corn maybe will be replace by wheat, sorghum and other substitutes if the cost is too high. In addition, the highway as said will be charged, which will increase the transportation cost. The corn market is expected at highs.



➤ Threonine : the domestic orders already to July

Affected by COVID-19, and price increasing of raw material, and tight supplying, Threonine is quite active in the market now. New orders already to July.

➤ **One-third of the pork processing plants in the US has been shut down**

Due to COVID-19, livestock's replenish plans are affected, which indirectly affect feed production and raw material demand. At present, the epidemic is very serious in Europe and the United States. Overseas reports say that nearly one-third of the pork processing capacity in the United States has stopped, and 15% of the meat slaughtering and processing capacity has been completely shut down. This has had a serious impact on the US pork supply chain, and price thus soared. Farmers cannot sell their hogs and consumers cannot buy meat. Brazil, the world's largest exporter of chicken and beef, also has found the first meat processing plant shut down due to widespread infection.



Lysine Sulphate

The price of raw material of corn continued to rise, which caused increased cost pressures for domestic Lysine manufacturers, and Lysine price increased slightly. At the same time, the purchase intentions for downstream companies increased, and demand increased. Also delivery for orders in Q1, 2020 is very late. The market net price is around \$580-600/MT. The export orders already to Q3, 2020. Due to the heavy worldwide epidemic, the situation in the international market remains to be observed. At present, export shipments are basically normal.

Forecast: As the end user already signed the orders for Q2, the price in the afterwards period has the possibility to drop steadily.

Lysine HCL

In April, due to price increasing of corn, Lysine hydrochloride price also raised. With the impact of the COVID-19 epidemic, the production capacity has not fully recovered yet, and the backlog of pre-orders are fully engaged in Q1, which delayed estimated shipment, resulting in the delay in the delivery of new orders to the third quarter. Factories raised prices accordingly, which has promoted the upward trend of Lysine, thus in April the Lysine was out of stock and the transaction price quite firmly.

Valine

In the beginning of April, one of the main manufacturers of Valine had indicated that they would shift production capacity to other types of amino acid, and their limited goods would keep as stock. Due to supply chain issues caused by Corona-virus in both European and Asian countries, some suppliers have been struggling with output and supplying problems. Market became active.

As in the mid/end of April, most customers already finished purchasing for Q2 and Q3, thus now the market becomes quiet and stable.

Forecast: In the Q2, the factories are delivering for pre-orders. And due to the epidemic situation, the market demands are weak. However, since the Chinese factories will stop production for maintenance in Q2 every year, thus the international market remains to be observed.

Threonine

At present, most of the manufacturers' orders are tight. The delivery for new orders is July. Due to the impact of the overseas epidemic, as well as the continuous price increase of raw materials-corn and the tight supply of products, the export enthusiasm of Threonine market is high. At present, the domestic supply is relatively tight and the transaction is good.

The price in Q2 or the first half of the year held steady at \$ 1.35-2.00 / kg.

Tryptophan

The market is stable and weak. By the end of this month, Chinese domestic manufacturers can basically supply stably. Although the demand of end users is increasing, the supply shortage of soybean meal has eased, which decreases the pulling function on Tryptophan. It is necessary to pay attention to the fluctuation of soybean meal price, and as expected that the Tryptophan market will become a little bit weaker under the demand and price game. The current market price is around \$ 8.50-8.70 / kg.

Methionine

In Q2 , the price is around Eur1.90-2.25/KG in the European market, demands are weak. The traditional maintenance season is coming soon, Adisseo plans to carry out 45 day maintenance from May to June; NHU has the same plan, and the new production line is planned to be put into operation after the maintenance of the old production line; affected by Corona-Virus, Malaysia's quarantine policy has postponed for the third time, thus CJ Malaysia's plant is with unstable production.

Forecast: the inventory of end users is relatively sufficient, and the supply of the domestic market will remain stable in the later period, thus the price will keep stable in short time, but need to pay attention to the manufacturer's production situation still.



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