

VEGA

VITAMIN MONTHLY REPORT

Ver. OCTOBER 2020

VEGA |  **vegamax** |  **Prumix**

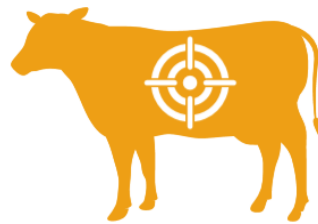


Vitamin Monthly Report

➡ Ver. October 2020



Comprehensive



Professional



Objective

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Statement:

The analysis and comments in the report only represent the views of VEGA Group, not as research conclusions or investment basis. We hope to make good use of it and make careful decisions! If you have in-depth needs for related information or questions, please contact the relevant salesperson.

● Preface

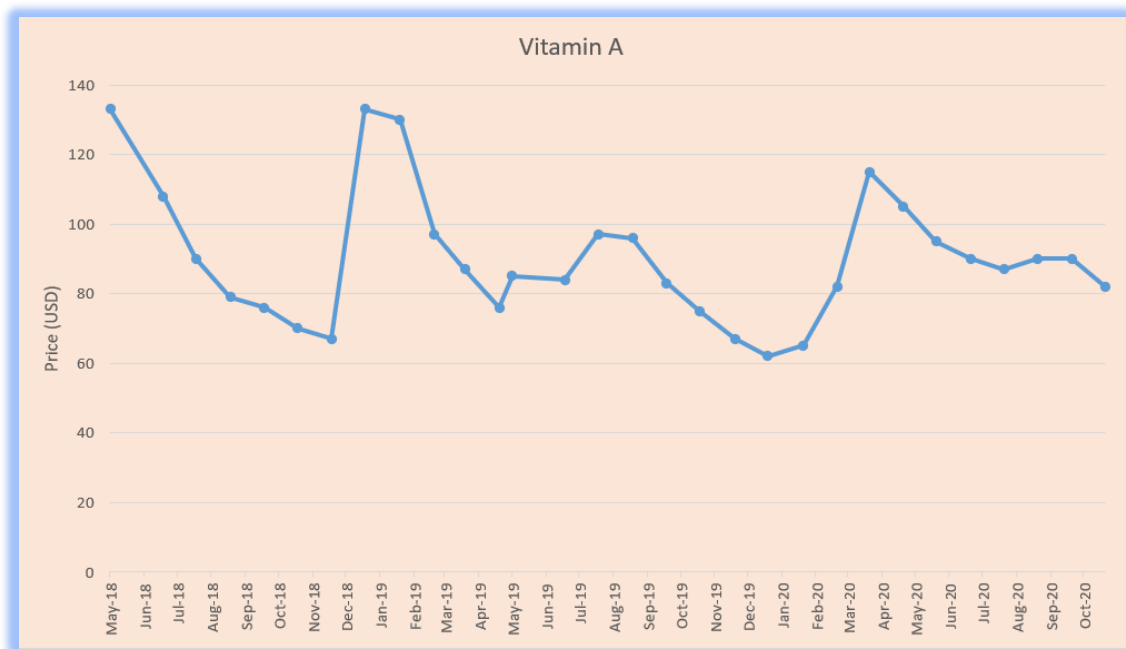
With the advent of winter, the second coming of the epidemic is quite fierce, which once again is affecting the demand for feed and additives in a large degree. It can be said that the rapid rebound of future demands depends on when the epidemic will end.

There have been several major changes since October. The RMB exchange rate against the US dollar has fallen sharply, leading to a slight increase in export prices, besides, Chinese domestic corn raw materials are tight, as predicted in previous months, which affected a lot to corn-related industries, such as the short supply and price upward of amino acids products. Looking at the additive industry throughout the year, from the perspective of China's supply side, manufacturers have taken a lot of actions. Large manufacturers have added vitamin varieties, and new manufacturers have joined. Chinese manufacturers have not been greatly affected for the time being. From the perspective of China's domestic and foreign demand, China's domestic demands is stable, and foreign demands have been weak. However, this quarter, many large foreign users have begun to make procurement plans for the first quarter of 2021. It is expected that there will be a wave of procurement in the next two months. But whether the phenomenon can continue into the first quarter still depends on the direction of the epidemic. The epidemic won't last too long, and the vitamin and feed additive industry will not always run at the bottom. Future trends still need to wait and see.



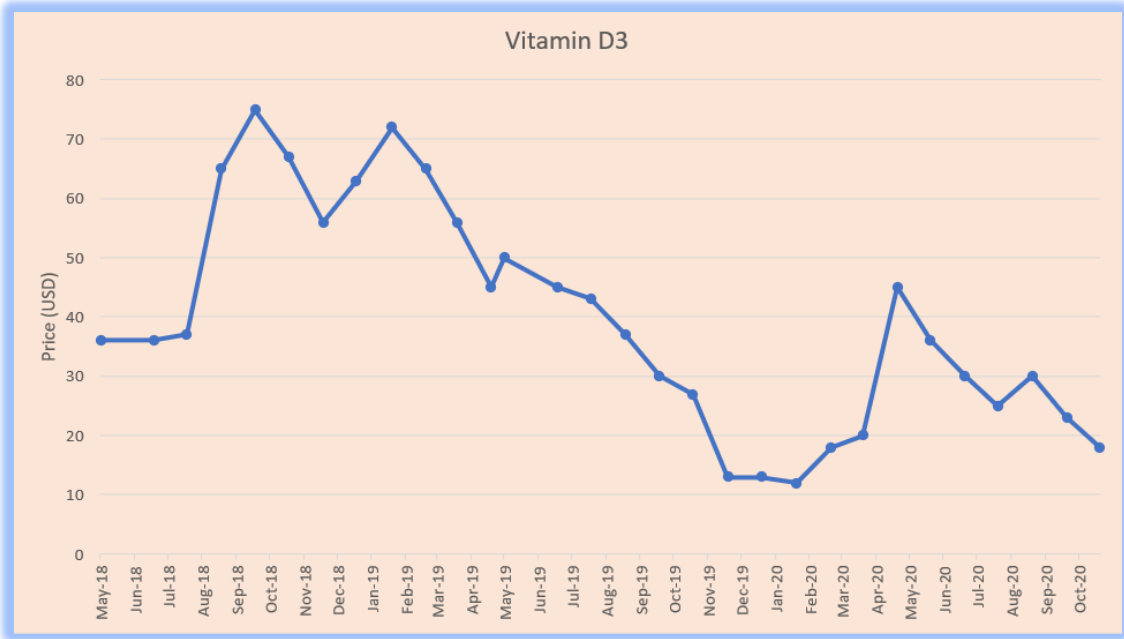
Vitamin A

Compared to the last year, This year's supply pattern is basically stable and the demand is generally weak. Price decreased a little in the 3rd quarter, European market price is around EUR76-80/kg and China domestic market price is around USD80-82/kg. Price tends to be stable if nothing special happens in the 4th quarter. As for the 1st quarter of 2021, the demand depends on the coming Christmas and traditional Chinese spring festival.



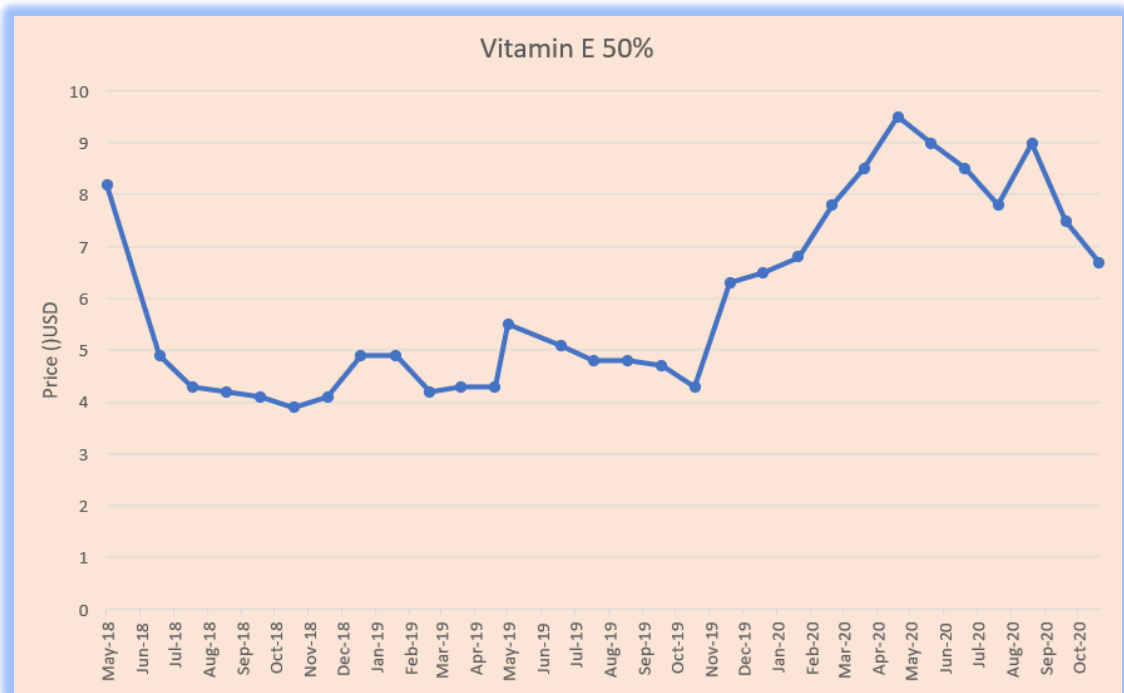
Vitamin D3

In 2020, affected by the epidemic and changes in market demand, D3 gradually decline after reaching USD40/KG in the second quarter. The short-term trend will slow down steadily, but now, D3 still at a high level, and due to the relocation of the garden plant, it does not rule out that factories will raise prices again. The European quotation of vitamin D3 500 is USD20/KG and the export quotation of Chinese brands is USD18-20/KG.



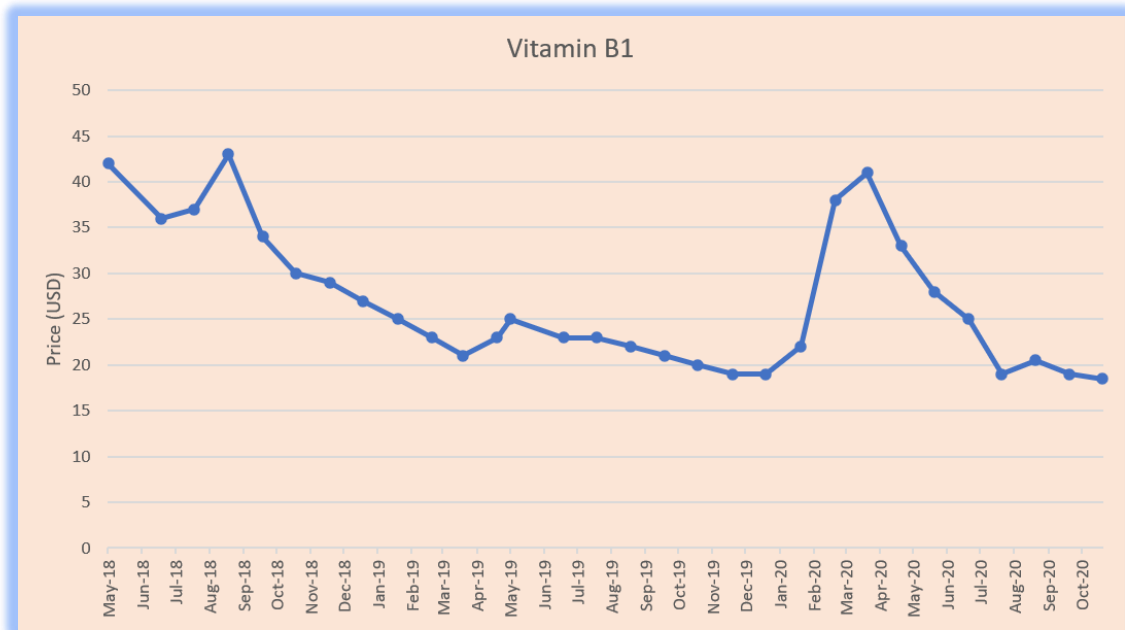
Vitamin E

In 2020, VE price at high level compared with 2019. Due to the concentration of manufacturers, there is no overcapacity, which enables manufacturers to keep the price until Q4. However, because of the impact of Covid-19, the demand is weak, market price of VE is slowly falling in Europe. In October, VE has slowly down trend, and the market price has declined to around USD 6.7-7/KG. Market demand is weak.



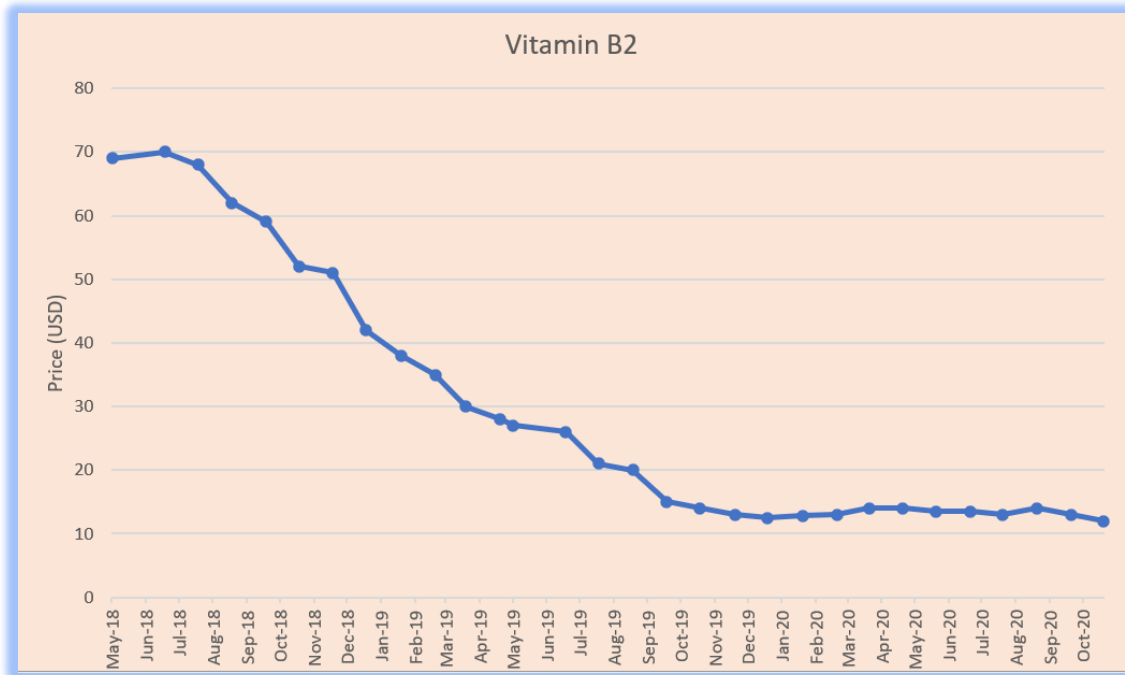
Vitamin B1 / Thiamine

In the whole three quarters, the Vitamin B1 market demand is generally weak, so it is difficult for factory to drive up price for a long time. In result, the price is slightly downwards. In the last quarter of 2020, the factory has a strong willingness to offer prices, should pay attention to production and delivery. Currently market price is around USD18.0-19.0/KG.



Vitamin B2/Riboflavin

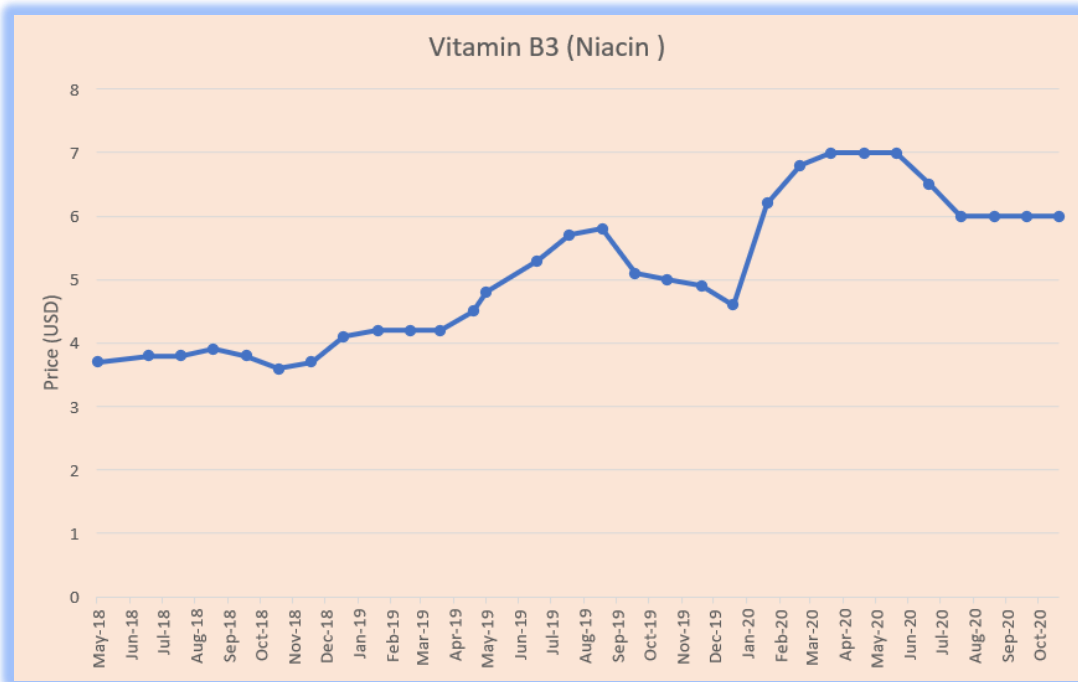
European market price is around USD13.5-14.0/KG, price in the past three quarter keeps stable and market demand is generally weak. Affected by the exchange rate, USD keeps depreciating and the price for corn increased a lot, leads to the product cost arise, market price is around USD12/KG. Some factories plan to reduce the production in the 4th quarter, price will keep stable in the 4th quarter and in the 1st quarter of 2021.



Vitamin B3/Nicotinamide,Niacin

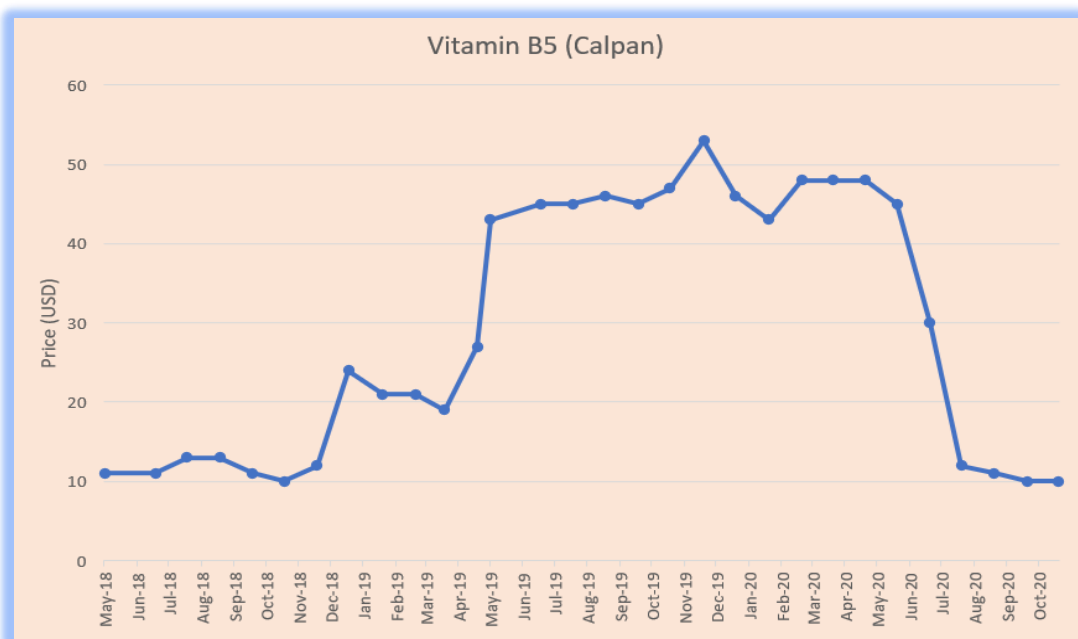
Niacin: market price keeps stable in the past quarter and the supply is sufficient. Most domestic factories quote the price around USD6.1-6.3/kg. In the 4th quarter, price will be at a steady decrease. Compared with last year, affected by the exchange rate between CNY and USD, the price increased, the number of manufacturers don't change too much.

Nicotinamide: compared with 2019, price increased due to the of exchange rate between CNY and USD. Domestic market price is stable in the past 3 quarters, most factories offer the prices around USD6.1-6.3/KG, demand is generally weak and supply is sufficient. Market price will have the trend to decrease in the 4th quarter and in the 1st quarter of 2021.



Vitamin B5/Calcium Pantothenate

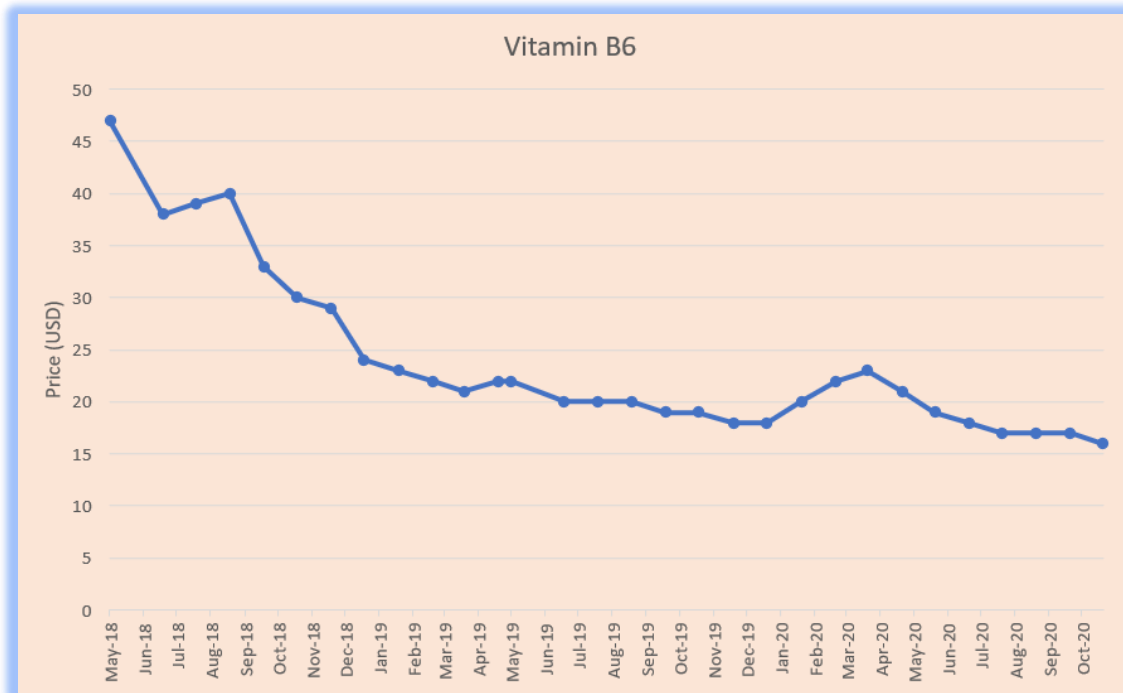
In 2020, more new manufacturers participated in market competition. In addition, the market demand is relatively weak, thus price has been maintained at the bottom for a current several months. In later months of 2020, the trend is expected to be stable. With the coming of Christmas and traditional Chinese spring festival, it is right time to make purchase plan for 4th quarter, even for 1st quarter 2021. Currently market price is around USD10.0/KG.



Vitamin B6

With production recovery in recent months, the price is stable and in the bottom stage for a period. Currently market demand is flat and weak.

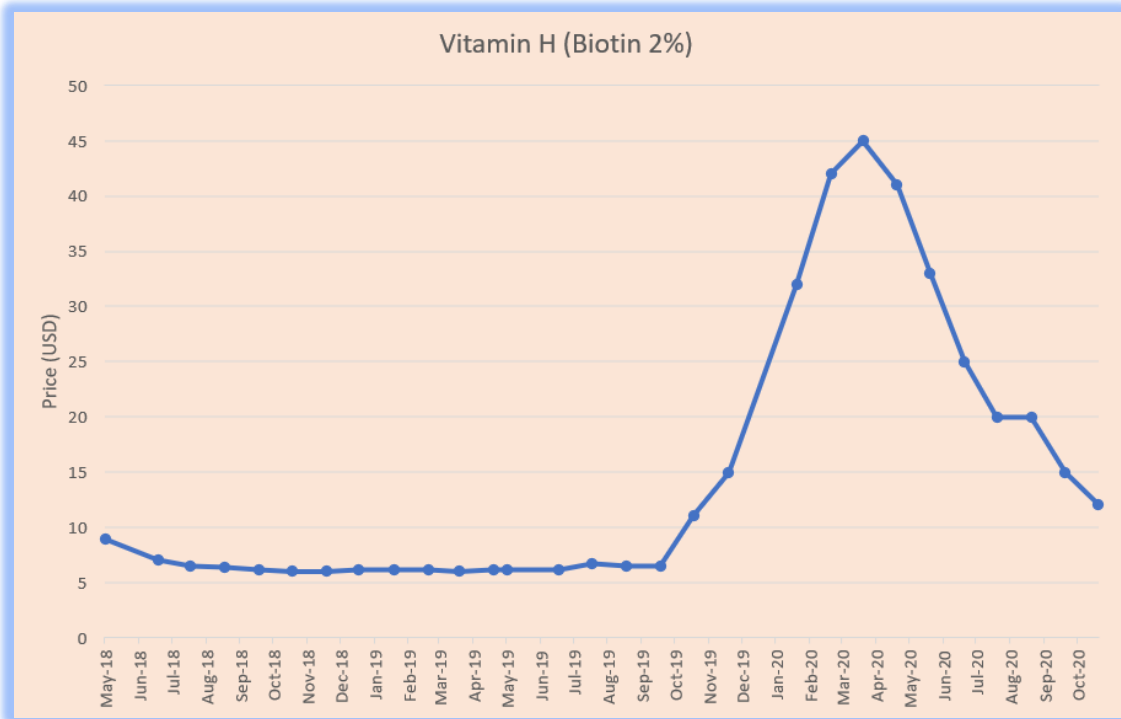
More and more factories have joined the market, overall supply exceeds demand. Affected by the market downturn, it is expected to be stable with a small downwards in the later 2020, Thus there is relatively no sharp risk to keep stock. Currently market price is around 15.5-16.0USD/KG.



Vitamin H/Biotin 2%

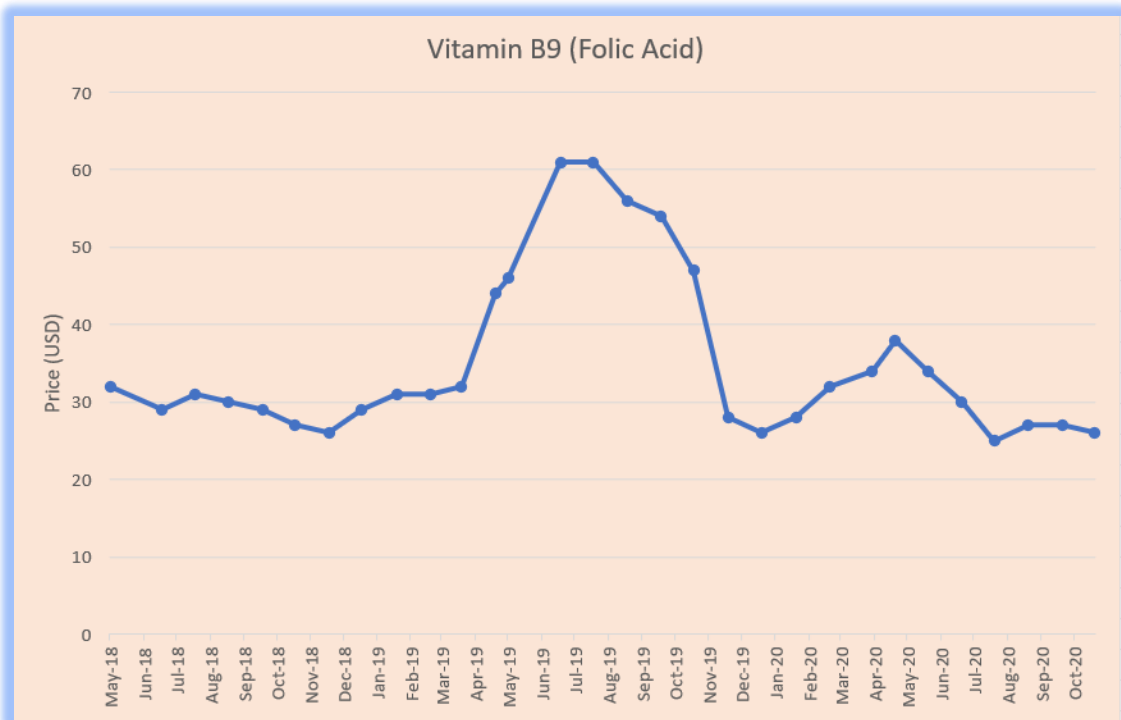
After a big increase in 2020, the price of biotin began to fall from the third quarter. Compared with the same period last year, the price fell to the same level. The current price of biotin is at a low level, but the historically lowest feed grade is around USD8/KG, and the pure product is around USD300/KG, so there is still downside. The price forecast will slowly decline in the long term.

About Biotin feed grade, factories are currently quoted at USD11-13/KG. The price of pure products is around USD460-480/KG from main manufacturers.



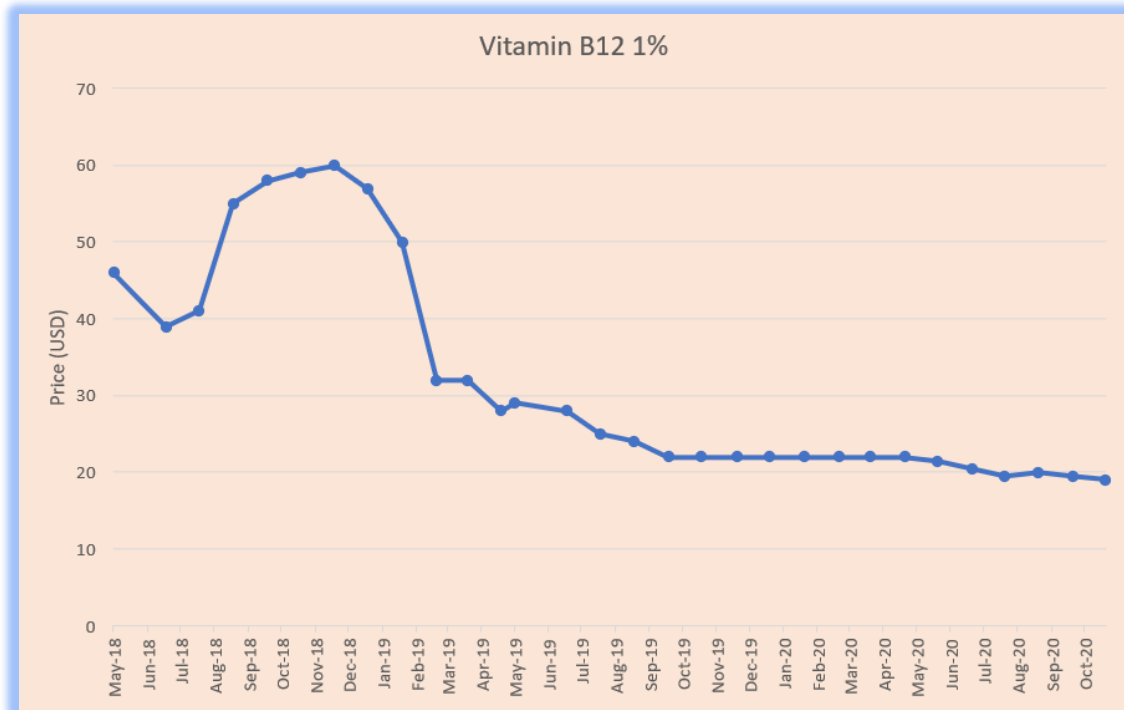
Vitamin B9/Folic Acid

Affected by the Covid-19 at the beginning of this year, domestic delivery was tight, which in short supply and make the price slightly rising. And because customers had enough stock in the early stage, market demand was weak, and price began to fall back since this May. The market price is USD25-27/KG, and the market price is stable.



Vitamin B12

The price of B12 is stable, Currently the market demand is weak. At present, there have new manufacturers come into the market competition. The price is expected to be stable at 4th quarter ow, B12 is at the bottom stage, good time to place the order. The current price of VB12 pure product is USD1850/KG to USD1950/KG, and the market price of VB12 feed grade is about USD19/KG.

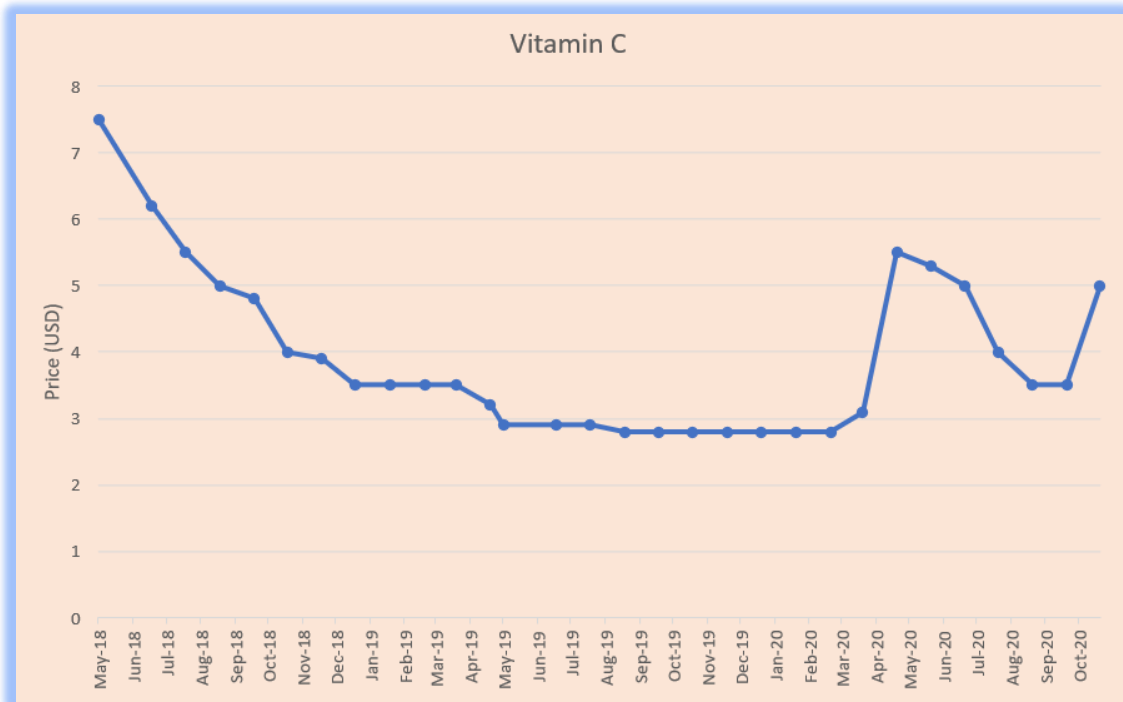


Vitamin C / Ascorbic Acid

In 2020, the supply pattern of vitamin C will be fragmented, and new manufacturers will participate in market competition, which is a recent hot.

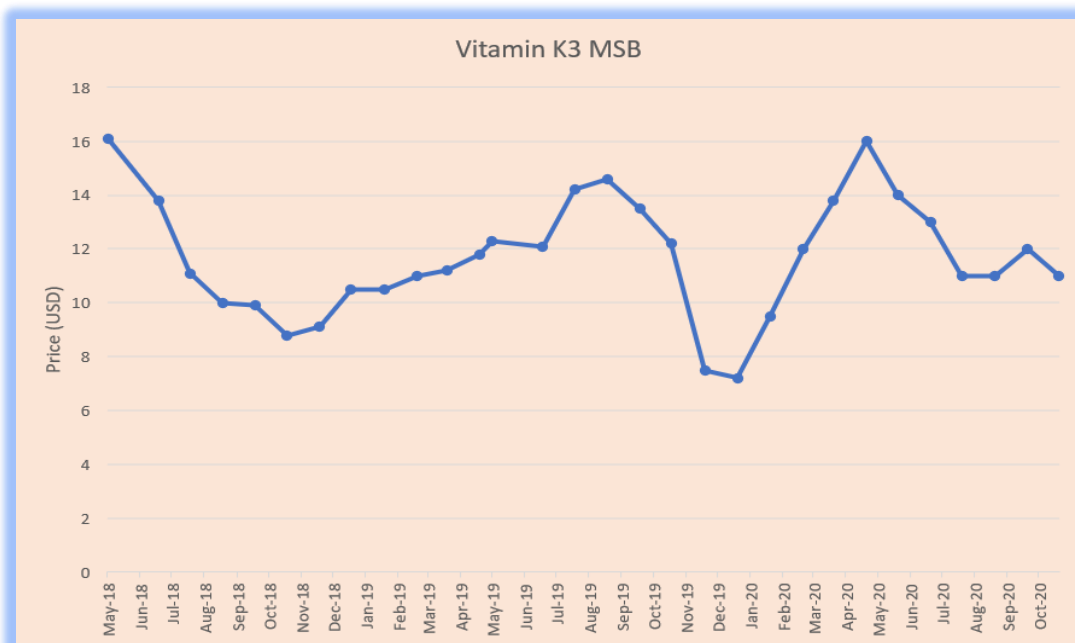
At present, the factories has a strong willingness to raise prices for several reasons: 1. The corn raw materials have skyrocketed, which drives up the price of fermented products; 2. The factory wants to implement the high-priced contracts signed in the early stage; 3. As the end of the year is approaching, customers have begun to sign annual orders. The factory has a high willingness to increase price.

Currently, CSPC, NEPC, and Luwei have not yet quoted price, market price already has USD5.0/KG. Pay attention to market changes.



Vitamin K3

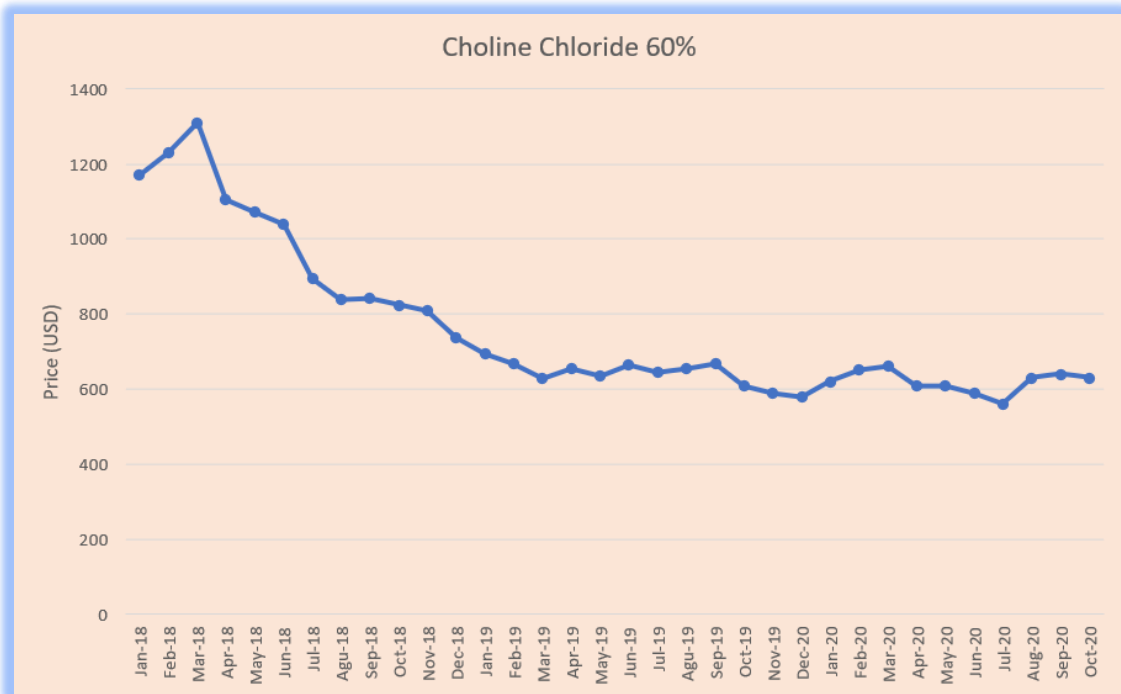
Affected by the Covid-19 at the beginning of this year, factory tight shipments and foreign customers panic purchasing, which make price rising up. Later, the situation reversed, the Covid-19 broke out in most countries resulting in oversupply in the market and market prices gradually falling. The current market price of K3 MSB is at USD10.5-11/KG, and the market price of K3 MNB is at USD12-12.5/KG. It is judged that the subsequent downward trend will continue.



Choline Chloride

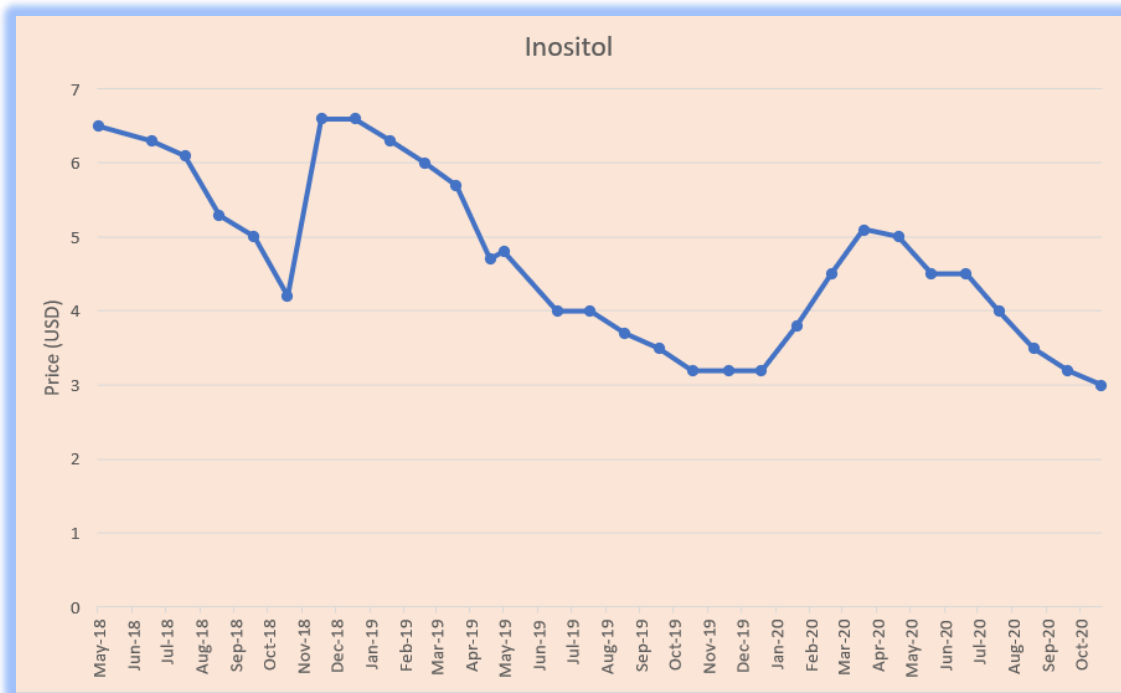
Due to the short of raw materials, choline chloride still maintains a tight supplying in the short-term. The production load of choline chloride manufacturers continues to increase, but in the case of raw material prices that do not fluctuate significantly, the downward space is expected to compare limited.

As the supply of TMA gradually became more abundant, the tight supply situation was eased, but the supply of domestic EO remained tight. But due to the backlog of orders, the manufacturers are still tight in terms of delivery. This situation is expected to continue until late November. The market price is around USD630/MT-USD650/MT.



Inositol

The supply of Inositol is adequate, the market price is stable and slightly decrease. Prices differ with different brands. In 2020, there have new manufacturer participated in market competition, so it intensified market competition. This year, due to the impact of the epidemic, the export volume of inositol compared with last year has decreased. The market price is around USD3.0/KG to USD3.3/KG, and the downward space is limited.





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