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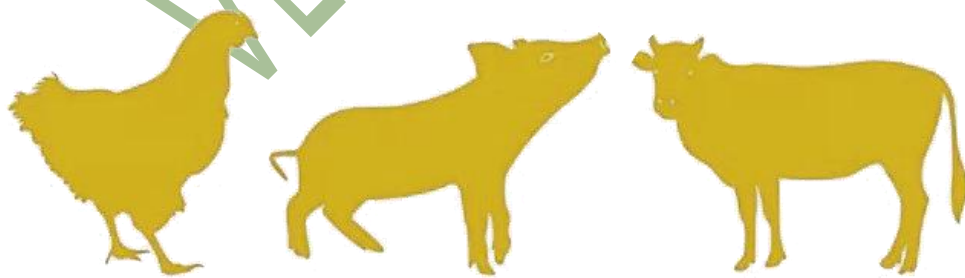
JULY  
22TH

# AMINO ACID MONTHLY REPORT





## Amino Acid Monthly Report



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## 【Preface】

### ➤ Terminal breeding market

On July 9th, the Chinese government released the news of the second purchase and storage of pigs this year, which has a certain boost to the market. However, the large-scale rainfall in the north and the south has increased the risk of disease, and concentrated slaughter in a short period of time. In addition to the heat and high temperature, some large pigs are loosened, and the overall market is dominated by large-weight pigs. Under the hot and humid weather, consumption showed a weak trend, and the willingness to lower prices was strengthened. The national average price of live pigs once again fell below 16 RMB/kg. The game of supply and demand is still the main keynote, and the possibility of a slight increase in short-term pig price fluctuations is increasing.

Inventories in China's egg production areas are at a low level. The high temperature in the south and the heavy rains in the north for several days have affected the storage and transportation of eggs, which has promoted a slight increase in egg prices. At the same time, the Mid-Autumn Festival and National Day stockings stimulate demand, and egg prices may continue to rise; white feather broilers Farmers kept low prices, and the price of chickens stopped falling and adjusted slightly. The price of chickens rebounded from low levels; the price of ducks rebounded in an all-round way.

➤ **Raw material**

U. S. soybeans prices fluctuated and rose. However, the corn market has a strong negative atmosphere, and deep processing companies have stopped purchasing. The price of corn in most corn producing areas has hardly changed month-on-month, but Hebei and Guangdong fell month-on-month, although CBOT corn futures rose , which drove corn to rebound after hitting new lows during the year, but did not boost the spot market.

➤ **Market overview**

Foreign markets have a large and stable demand for China's threonine, and China's threonine needs to meet the needs of the global market. Over the past two years, threonine exports have remained relatively stable, basically between 45,000 tons and 55,000 tons per month. Most of the time, prices and supplies are mainly controlled by upstream factories. After approaching the cost line, the factory has no intention to continue to cut prices.

The current demand for amino acids is still large, but there is still a game between upstream and downstream. As the volatility of the aquaculture market rises, demand will increase in shocks, and this state is expected to continue for one month or a little longer. The probability of restorative growth after September is still not small. At the end of August or earlier, the market will begin to change.

## Threonine

The trade market price is USD 1430-1450 /MT, and the quotation in some areas is relatively high. Users have sufficient inventory and the willingness to sign orders is not strong. According to market understanding, some factory has reduced production and maintenance. The current industry operating rate has dropped to 69%. Some companies have less supply pressure and need to pay attention to the production and export situation of the industry.

## Lysine Hcl

At present, due to the low corn price and weakening market demand, the price of lysine hydrochloride is weak and decreasing steadily. The spot price is close to the self cost of the factory, and the operating rate of some manufacturers has declined. According to historical trends, the price will rebound after August. The overall change is based on client requirement. Current price is around FOB \$1180-1230/MT without pallet.

## Lysine Sulphate

Both supply and cost of raw material corn gets stable. At present, the factories mainly complete the delivery of pre-orders, and the newly signed orders have been scheduled to late August; the market demand is gradually weakening, and the price keeps stable in short term.

## Valine

At present, the mainstream quotation of valine in Chinese domestic market is USD 2.6/kg. The latest valine production plant quotation is close to the cost line, and some manufacturers have reduced Chinese local market supply and turned to export. The spot quotation in the European market is Euro 3.7-4/kg, and the price is slightly lowered. There is an increase in the price difference between the overseas market and the domestic market of valine, which will promote the increase of valine exports, and decrease the Chinese local supplyment.

## Tryptophan

Tryptophan: The market performance is weak. Manufacturers are mainly engaged in bargaining transactions. Some companies have transaction prices as low as \$7.35/kg. Manufacturers' maintenance plans are mostly from June to September. At present, the price of tryptophan is at the cost line of the manufacturer, and there is not much room for reduction. It is recommended to expand the inventory in advance

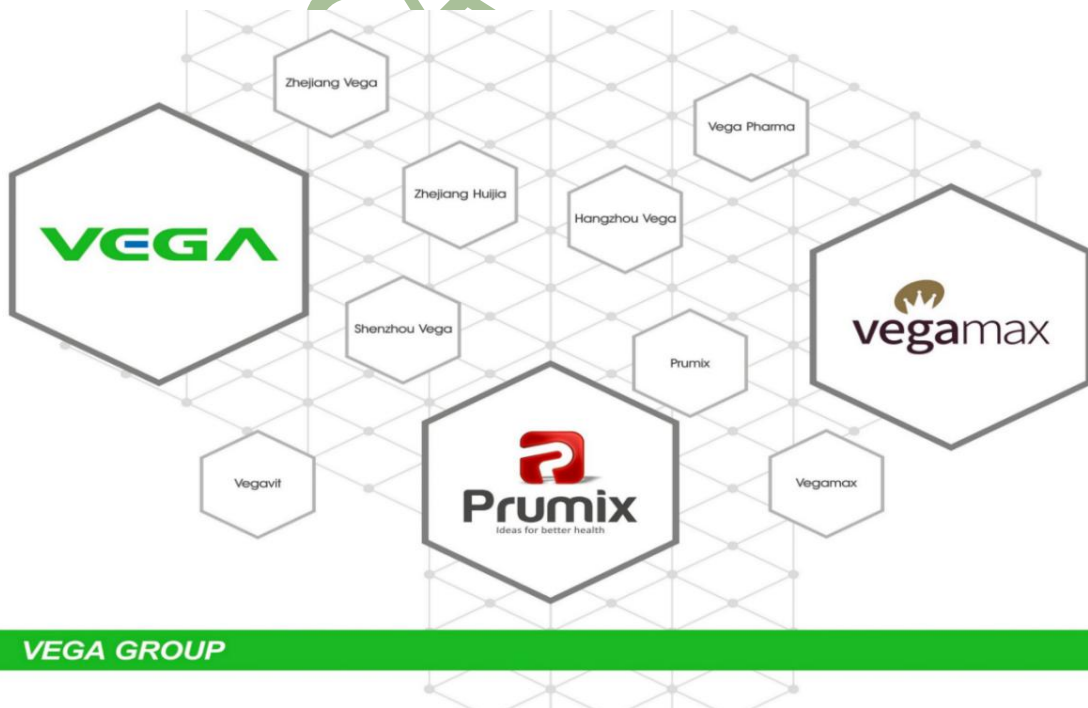
## Methionine

Compared with last month, the market has not changed much. It is mainly stable as a whole. Some manufacturers raise their prices slightly. The current market price is about USD 2.6-2.7/KG. Downstream customers still have a certain amount of inventory, and the terminal purchasement base on current demands. Due to some manufactures started their maintenance plan, the market inquiry is positive recently. It needs to attention the delivery of NHU & CJ Malaysia plant, both of manufactures stopped production untill August, and the covid spread in Malaysia will be also have an impact on supply.

As the market demand is still weak, the later price will remain stable in the short term, but with a little floating, just focuse on the production situation of manufacturers.



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