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# AMINO ACID MONTHLY REPORT

**VEGA**





## Amino Acid Monthly Report



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## 【Preface】

### ➤ Key words

Down stream's situation; Leading company's sales strategy ;Corn price;

### ➤ Raw material

In September, China's old corn stocks continued to decline, and demand continued to grow. The market volume of spring corn in North China, East China, Central China and Southwest China continues to increase. Forage wheat, rice, imported barley and sorghum continue to replace the market, and auctioned imported corn continues to supplement demand-side inventories. In general, the supply and demand of corn continued to loose trend in most of September. The containment and control situation of the new crown epidemic has improved, and the cost of logistics and transportation has decreased. The market expects that the price of corn will fluctuate and fall most of the time in September, and the monthly average price will continue to fall from the previous month.

According to the national CPI (Consumer Price Index) and PPI (Industrial Producer Price Index) data previously released by the National Bureau of Statistics in August 2021, the year-on-year increase in CPI in August continued the previous downward trend, and it also hit nearly 5 New low since the beginning of the month. In August, food prices fell by 4.1%, an increase of 0.4 percentage points from the previous month, affecting the CPI drop by about 0.77 percentage points. In food, pork prices fell by 44.9%, an increase of 1.4 percentage points from the previous month.

➤ **Market overview**

Recently, the ex-factory price of 70% lysine has been raised, and the overall supply is still tight, and the delivery date has been delayed. Although customers who demand methionine have sufficient pre-stocking and the current overall market demand is average, with the suspension of NHU's quotation and the impact of the epidemic and the delayed arrival of a certain brand due to the impact of logistics, the market purchase willingness has increased, and the price has risen slightly. We need to be wary that other factories will follow suit and stop reporting, which may affect market buyer sentiment. Eppen and Huaheng have continuously increased the quotations of valine, and CJ has limited shipments in the Chinese domestic market, and the price trend of valine in the market may change.

The industry has divergent views on the follow-up amino acid market, which affects the willingness of downstream purchases. Recently, VIV Qingdao 2021 provides an opportunity for industry players to gather and communicate. The market trend will gradually become clear in the later period. The fundamentals of demand growth and supply tightness in the fourth quarter of each year will not change.

## Threonine

The international market price rises, but due to the good export price, domestic manufacturers mainly delivery export orders, and the manufacturer's supply is slightly tight. The market quotation is about USD1660-USD1680/MT. At present, the factory start-up of threonine industry has recovered to about 57%, and the market price is expected to be stable and strong in the short term.

## Lysine Hcl

The corn is keeping stable and predicted to be weak later this month. However due to the recent national policy- electricity curtailment, chemical ingredient production will enter a new tight cycle with upcoming Q4 purchase season. The price will be reacted by demands in the market. Current price is around USD 1360/MT (European market's price over usd1600/MT), depending on quantities and brands, lead time is all around end of October or later.

## Lysine Sulphate

The corn price has decreased slightly compared to last month, which to some extent relieve the cost pressure of manufactures in lysine production. Current price of lysine sulfate remained stable. Current market price is around USD950/MT. The operating rate of lysine industry is about 60% now and some factories still quit quotation and production. But some factories may plan to resume production, so next we need to pay more attention to manufacturer's transaction and production situation.

## Valine

Some valine manufacturers have a good deal, and mainly for executing previous orders. Recently, the transaction price is USD2.85-2.9/KG, and the valine price in the trade market is USD3.0/KG. Huaheng's valine production has returned to normal. Pay attention to the changes in industry supply.

## Tryptophan

Tryptophan maintenance companies are now resuming production. Manufacturers will mainly deliver in the near future, and the market transaction price is mostly \$7.3-7.5/KG. The loss of pig breeding has narrowed, and the demand for terminal tryptophan has picked up. CJ's Indonesian plant started overhaul on August 24 and plans to end overhaul on September 4. The newly-built plant in Brazil has been put into production but the supply is currently limited. It is expected that the market price of tryptophan will be adjusted strongly in the future.

## Methionine

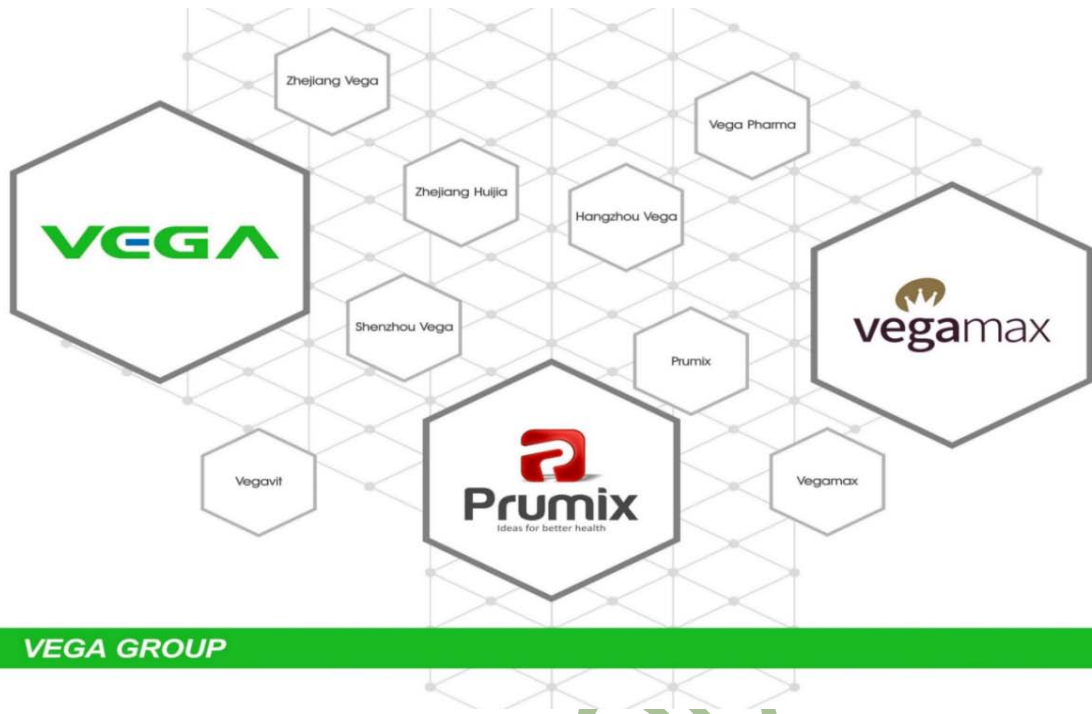
This month the DL- Methionine attracted more attention in the market. Main manufacturers have raised prices by different level. At present, the market price is around USD2.8-2.9/KG. Affected by COVID-19, the CJ Malaysia factory has a low operating rate and limited production. Under the pressure of raw material and delivery costs, NHU also gradually raised its price. On 15th, Sep, Evonik announced that the

price of Methionine would increase by 8% in the worldwide. The price will be strong in the short term, and pay attention to the delivery situation.



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