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JULY
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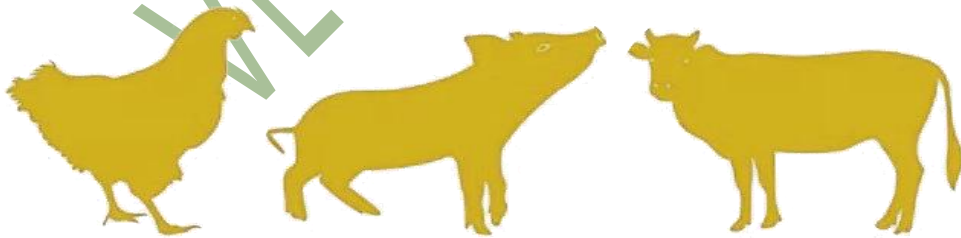
AMINO ACID MONTHLY REPORT





Amino Acid Monthly Report

JULY, 22nd, 2022



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【Preface】

➤ **Breeding situation**

Affected by the winter disease in Shandong province, the completion rate of large-scale breeding enterprises in June is lower than the normal level. create a certain pressure. Recently, the price of pigs has risen sharply. On the one hand, pig-raising enterprises are reluctant to sell, and on the other hand, the backlog of bullish sentiment among free-range farmers has led to a decrease in the effective supply of live pigs, which is another important reason for the rise in pork. . According to the prediction of the pig cycle, the price of pigs has generally risen, but the upward trend is limited, and there will be no decline in the short term.

➤ **Raw materials**

Corn prices continue to fall. Some trading entities in the main domestic producing areas are facing pressures on capital and storage capacity. The arrival of imported grains to Hong Kong has not decreased significantly. The downstream feed stock is relatively sufficient, and the purchasing intention is not high. Affected by the rainy season, the market of tide grains in some areas has increased, the supply has gradually loosened, and prices have continued to rise. down. The corn inventory of deep processing enterprises has declined, but the pressure on product inventory and cost is too large, and the enthusiasm for purchasing raw materials is limited. In July, China's corn inventories will continue to decline, and the supply market will enter a stage of lack of supply. The total demand for aquaculture and deep processing will continue to grow slowly, but since the growth rate this year is not large, the contradiction between supply and demand is generally not prominent. Since July is still the time for a large number of new season wheat to be marketed, it will put pressure on corn prices. It is expected that during July, corn prices will continue to fluctuate within a narrow range and tend to be weak.

➤ **Market overview**

Overseas market demand began to affect the Chinese domestic market supply, and the situation of oversupply in the market cannot be changed, especially from June to August, which is the trough stage over the years, and weak demand. But large group companies are difficult to temporarily purchase due to the large demand, and they are constrained by the agreement with large supply factories, so they sign orders as usual. However, the purchasing rhythm of small and medium-sized customers is different. Due to the high expectation of subsequent price declines such as lysine hcl and threonine, the wait-and-see atmosphere is strong. However, the overall actual consumption demand is not very weak.

In fact, 98.5% lysine is also stepping into the cost line after the recent price drop. As far as production factories are concerned, whether they are willing to lower prices is still full of variables. Based on the purpose of shipments, especially when overseas exports are blocked, the possibility of factories lowering prices further in order to ensure sales cannot be said to be completely absent.

Threonine

The price of manufacturers has been lowered, and the price of the trade market has fallen along with it.

The market price is USD1400-1430/MT, and the market inquiries have increased, but the enthusiasm for transactions is not high, and some maintain a wait-and-see attitude.

The manufacturers plans to overhaul in July-August, and needs to pay attention to the manufacturer's recent transactions and production.

Lysine Hcl

Coming into summer, plenty of factories are preparing maintenance during July-August. Chinese corn futures are down to CNY 2600 level, it is a quite lower comparing weeks ago.

Current lead time is around mid end of August. The product is predicted to be weak and stable. FOB Chinese port is around USD1290-1320/MT depending on quantities and different markets.

Lysine Sulphate

At present, the mainstream market quotation of 70% lysine in China is USD0.9/KG. The lysine market inquiry is flat, and the sales willingness to match is not active. Due to the impact of the epidemic, the delivery is affected.

Pay attention to the quotations and delivery time of leading companies. The spot price of 70% lysine sulfate in the European market is 1.65-1.85 euros/KG.

Valine

The valine market was stable this month, the cost of raw materials did not change much, and the factory delivery time was normal, however, delivery in the end of July was relatively tight. The price of FOB Chinese port is around USD2.9-3.2/KG, which is at a low level, and the demand from end customers is relatively low, most of the clients choose to wait. In European market, price is around 5.25-5.60 EUR/KG.

Tryptophan

In the European market, non-Chinese sources offer 7.40-7.70 euros/KG. The overall supply of tryptophan industry has decreased, and domestic manufacturers have a strong willingness to raise prices, and the quotations are being raised to USD7.25-7.5/KG. According to market understanding, the industry started to resume gradually, and the market supply is increasing. With the recovery of terminal demand, market transactions increased slightly.

Methionine

In July, the DL-Methionine's price continues to be stable and strong, the current market price is around USD2.9-3.0/KG, the upstream has a strong willingness to raise price. Since mid of July, mainstream manufacturers pulled up price slightly, and market inquiries increased significantly, but the transaction is still weak, the downstream users are still waiting and see. Some enterprises plan to stop production for maintenance in August, just focus on changes in the supply side.



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