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# AMINO ACID MONTHLY REPORT

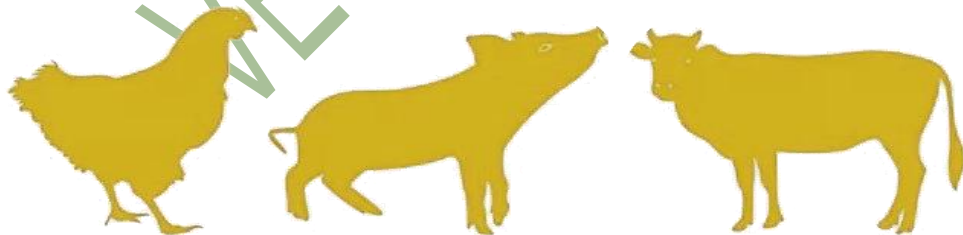
VEGA





# Amino Acid Monthly Report

Mar.27th,2023



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## 【Preface】

### ➤ **Breeding situation**

After the peak season in end of Feb, the recent pig market became weak again.

In the middle and late February, influenced by the improvement of the enthusiasm of breeding end for secondary fattening and tight supply of live pigs, the market price increased. However, after entering March, with the enthusiasm of the secondary fattening supplement column decreased, and limited terminal demand, the pig price fell shockly, the average price of market trading once fell below 15 RMB/KG.

In the early stage, some farmers reluctant and hesitated to sell, but as the temperature continued to rise, the demand for large weight pig source weakened, which may prompt them to accelerate sales, and then the supply of pigs may increase slightly. The lack of profit support at the demand side, and the recent poor sales of slaughtering enterprises, resulting in the decline of slaughter gross profit, slaughter volume continues to increase difficult, so it is expected that the price of live pigs in late March or narrow and weak adjustment.

### ➤ **Raw materials**

Due to the upward revision of Brazil's soybean production estimates, and as Brazil's soybean harvest progress continues, local farmers have limited storage capacity, Brazil's new soybeans listed on the ship pressure highlighted, prices have declined. With the recent arrival of Brazilian soybeans one after another, the arrival of Brazilian soybean shipments will increase one after another. At the stage of limited consumer demand and feed breeding enterprises bearish future market conditions, soybean meal prices are in a downward trend.

According to the latest statistics, as of March 24, at this stage the domestic oil mill offer has fallen below 4,000RMB/MT, as for the low price of the two broad and Jiangsu areas, the lowest offer has fallen to 3,650RMB/MT. And yesterday's oil mill soybean meal spot transaction average price has reached 3860RMB/MT, for nearly 14 months low price, already reached the bottom level which is the end of January 2022.

➤ **Market situation**

With the price of soybean meal continuously drop, feed product prices have generally fallen, with recent declines reaching 50-30RMB/MT. The feed industry will be particularly difficult than in previous years.

The breeding industry is facing greater pressure, the whole industry contradictions between supply and demand increased, the overall market trend will remain weak for a longer period of time.

After being full of hope and hard work in January and February, market started to feel this cold spring in March. Most amino acid producers have already completed their sales tasks for March at the end of February, but the weak demand in the coming week can still make the producers feel great pressure. Originally, we thought there would be a small wave of procurement at the end of March and beginning of April, but as of now, the procurement demand may still be there and the overall weak price situation should continue.

March 29-31,2022/2023 feed industry exhibition will be held in Nanjing,it is estimated that the scene will be hot, but behind the scenes is still the embarrassment for the inbalance of supply and demand.

In fact, domestic demand is still there, the problem is the decline in overseas demand, especially with the weakening demand for Chinese pork imports and the decline in exports of premixes and concentrates to Africa and the Middle East, the European market procurement demand continues to be weak, the first and second quarter of this year, both European traders and feed companies, to consume the inventory is the main theme.

In this situation, the domestic market sales pressure further increased, the industry localized longer-term losses can not be avoided.

## Threonine

The accumulated domestic exports decreased by 29% year-on-year, but at present, there is still no improvement in exports, and the domestic market is weak in purchase and sales.

The quotation for the European market is EUR1.30-1.35/KG.

According to customs data, 36000 tons were exported in January and 43000 tons were exported in February, with a year-on-year decrease of 29.0% in the cumulative exports from January to February. The domestic export price is basically stable at USD1220-1230/MT, with no significant improvement in transaction volume, and the price remains strong and stable. Mainstream domestic manufacturers have been focusing on recent shipments, making it difficult for prices to fall. However, terminal demand is expected to decline in the later stage, users are not willing to purchase, and market prices may be slightly adjusted. Enterprises may consider early maintenance, and some enterprises have slightly reduced their commencement of maintenance, focusing on changes in industry production and supply.

## Lysine Hcl

In the end of Q1 in 2023, lysine hcl is keeping stable and little weak as domestic and foreign demand keeps down. Many customers are buying carefully. However the lysine factories are losing money as raw materials pricing is very high. It is predicted this product would be stable but be influenced by US-CNY real exchange rate. FOB price is around USD1165-1210/MT depending on different markets and area.

## Lysine Sulphate

The domestic market quotation is firm, continuously stable. However, the overall market inquiry is not active, transaction is relatively flat. Purchasing intention is not very strong from customers. At present, mainstream market quotation of 70% Lysine is around FOB USD750-810/MT according to different brand and market.

## Valine

The mainstream Chinese domestic valine market is slightly stronger, currently quoted at USD3.4/KG. Although some Chinese domestic factories resumed production and the industry's production rate increased, but the market supply is still tight and prices remained on the strong side.

Demand on the export side is relatively weak and market transactions are also flat. The market is expected to be strong in the short term.

The European market spot offer is EUR5.00-5.10/KG.

## Tryptophan

Tryptophan: Recently, domestic tryptophan manufacturers' quotations tend to weaken, export quotations USD8-8.2/KG, manufacturers and market high prices for the time being no transactions, the recent attention to factory orders and delivery situation.

## Methionine

In March, the DL-Methionine situation is similar to last month and keep weak, the market price is around USD2.3-2.4/KG. Recently there are less inquiries and deals, the end users purchased base on current demands, and the manufacture's supplying status is still needs to attention.





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