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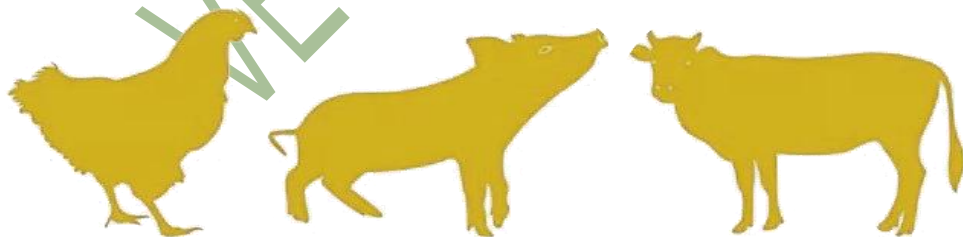
AMINO ACID
MONTHLY
REPORT





Amino Acid Monthly Report

May.23rd,2023



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VEGA GROUP

【Preface】

➤ **Breeding situation**

The current pig industry is in the down cycle of the new cycle since April 2022. Compared with previous cycles, the concentration of large -scale industries has increased significantly, and pig production capacity is mainly affected by prices, and external impacts have weakened.

At present, sow capacity is still at a high level, which means that the cycle turning point has not yet arrived.

In Q2 of 2023, the supply of pigs will still be sufficient, but the demand will continues to pick up, and the relationship between supply and demand will improve. Pig prices are expected to rise to the cost line near the middle year. However, under the premise of more supply, the rate and amplitude of pig prices rebound will be relatively slow and small.

➤ **Raw materials**

As the new wheat's harvest date approaches, the traders sell corn in order to release the warehouse space, and the market supply has increased. The performance of the downstream market is still weak, and the processing enterprises are still mainly digestion stock. The enthusiasm for acquisitions is average. The feed companies have strong moods and weak demand to continue to suppress the spot price.

Feed companies have a strong mentality, some companies is starting to use wheat and imported grains to replace it. Down downstream downturn limits upstream goods, restrict the needs of enterprises, and the intention of replenishment is mainly to meet the real-time demand. At present, the corn market is sufficient and a large number of imported corn will arrive soon. Under the premise of limited market demand, the spot price of corn continued to be under pressure.

➤ **Market situation**

Due to the increasing of Threonine price from the end of March, the market is hotter. Driven by the market, sales transactions have increased significantly. However as the downstream inventory and handheld orders increase in market, the later trend of Threonine needs to depend on market demand, inventory consumption and inventory consumption and Factory strategy.

Starting in June 2023, there are opportunities for new production capacity, whether 70% lysine, Threonine or Methionine. Although factory restricting production capacity release a while ago, and even stop production, as the company's market price increased, some factories have the temptation to gradually restore production or cancel the production restriction plan. Therefore, in the later stages of upstream, it is still necessary to face sales pressure. Under the condition that the overall supply is greater than the demand, it is expected that it is difficult to appear peak season again in June.

Threonine

The manufacturer's prices remain stable, and the market quotation remains stable at FOB USD1370-1390/MT.

Mainstream enterprises take turns starting maintenance, and the industry is operating at a relatively low level. The market is expected to tighten supply, and Fufeng plans to resume production in the later part of this month. Manufacturers still have a tendency to raise prices, paying attention to terminal demand and manufacturer production situation.

Lysine Hcl

Lysine hcl is keeping stable as domestic and foreign demand keeps soft. Most customers are buying carefully according to their inventory.

Although the lysine factories are losing money as raw materials pricing is very high, it is predicted that the market will still keep stable. Now the FOB price is at around USD1155-1165/MT depending on different markets.

Lysine Sulphate

At present, the Chinese domestic market quotation is continuously stable, prices fluctuate slightly due to exchange rate effects and price is hovering at bottom levels. The overall market inquiries are flat. End users purchase base on demand.

Currently export offer is around FOB USD740/MT - USD750/MT. Continue to pay attention to the customer's demand and factory sign orders'quantity in the later stage.

Valine

The Chinese domestic valine market is slightly stable, currently factories are quoting at FOB USD3.25-3.5/KG. Although some Chinese domestic factories resumed production and the industry's production rate increased, but the market supply is still tight for some manufacturer

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

Tryptophan

The manufacturer's quotation has significantly increased, and the trade market quotation has followed a significant increase, but the supply of goods is relatively small and there are not many transactions.

Recently, mainstream enterprises suspended offering and signing, the early orders delivery is tightly and a slight decrease in supply. There are fewer actual orders signed in China, and high prices inhibit transactions. The market has risen to FOB USD8.0-8.35/KG, and the overall market supply is tight. Pay attention to the transaction situation of manufacturers.

Methionine

In May, the DL-Methionine market keep weak situation as before, the price is around FOB USD2.3-2.4/KG. Under a low market sentiment, there are less inquiries and deals, some traders sales at lower price, the end users make purchasement base on current demands. In short time, the price will be still stable but needs to attention the exchange rate floating.



ONE-STOP GREEN ADDITIVES MANUFACTURER AND SUPPLIER

