

One stop solution supplier

JUNE
28

**AMINO ACID
MONTHLY
REPORT**

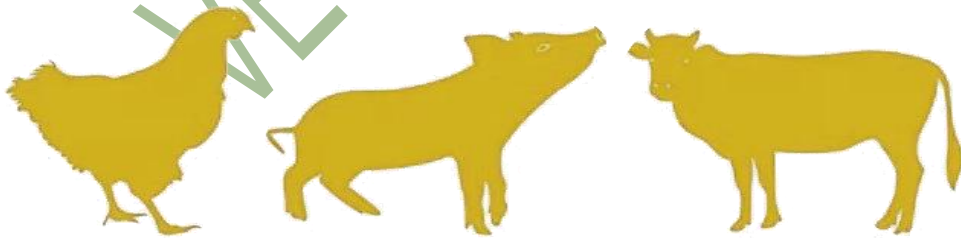
VEGA





Amino Acid Monthly Report

June.28th,2023



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VEGA GROUP

【Preface】

➤ **Breeding situation**

The overall pig market is mainly weak, due to the bearish market of the pig after the Dragon Boat Festival, the enthusiasm of the breeding side increased for a short time. However the slaughter enterprise is basically completed before the festival, the digestion rate of pigs is slowed down, and the pig price is becoming weak again.

There have been doubts about when pig prices will turn a corner. But one thing is certain, that is, reducing the number of farming requires a relatively long cycle, and it needs to be gradually reduced. Since the breeding cycle of sows to finishing pigs only takes about three years, it is impossible to reduce a large number of breeding in a short period of time.

At present, many sows have to be eliminated, and in the next six months, it is expected that more sows will be eliminated, and the number of breeding will be reduced a lot, which will bring about a rise in pig prices. At the same time, this year's corn production is expected to increase, with a large number of high-quality corn entering the market, pig prices will also be further controlled, reducing cost pressure will also help. When the sow stock gradually decreases, large enterprises also reduce the stock, the next half year may be a key period of pig price inflection point, our pig industry will enter a relatively stable period.

➤ **Market situation**

With the rebounding of threonine market, lysine hcl also changed the previous decline and began to rise strongly. At present, threonine price has increased for several rounds, from around USD1150 to USD1550 or even USD1600, but for now, the demand side of the replenishment willingness is weakening. During mid-late June, mainstream manufacturers signed a large number of orders of Lysine hcl, and till now most of the delivery has already scheduled to the end of August, or even September.

Other amino acids, such as valine, are slowly falling in price as the supply chain recovers.

Threonine

Manufacturers have a strong willingness to enhance prices, while traders have a low willingness to prepare the stock with new high price.

The manufacturer's quotation continues to raise to FOB USD1550-1600/MT, and the trade market price follows suit.

Currently, with the strong transaction price, some old production capacity has resumed production. The manufacturers have recently delivered mainly, and mainstream enterprises have a strong willingness to stand up for prices. It is expected that the manufacturer's quotation and actual transaction price will remain relatively strong before the new production capacity is put into operation.

Lysine Hcl

Lysine's factories were losing money as raw materials pricing was up and demand was low in past months. Coming into summer some factories will halt partial production line for maintenance around 1-2 months. Affected by these factors, the manufacturers stop offering quotes in the CPHI Shanghai exhibition and some of them rise the prices in the market. It is predicted the lysine hcl will keep strong and stable in upcoming days, we need to focus on the reaction of demand in the market. Current pricing is FOB USD 1220-1265/MT depending on different quantities and global markets.

Lysine Sulphate

At present, the overall price of Lysine market is increasing slightly. With the advent of summer, the factory's production costs have increased. And due to the manufacturer's production shutdown and maintenance plan, the inventory is also gradually decreasing, the delivery time is tight. Recently, the inquiry is relatively active, end user mainly purchase base on demand. The export quotation of 70% Lysine is around USD740-750/MT. Pay attention to the factory's quotation and market demand after the end of CPHI.

Valine

The mainstream Chinese domestic valine market is slightly stable, currently quoted at FOB USD2.6-2.65/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

From the middle of May to the middle of June, the price of tryptophan continued to rise, the market price rose from USD7.6/K to USD8.8/KG, and the factory quoted about USD9.3/KG, the import volume decreased in the second quarter, the factory scheduled the delivery, and the delivery time was relatively tight, and we need to concerned about the shipment situation in the later period.

Methionine

In June, the DL-Methionine market keep weak situation as last month, after exchange rate floating, the price was little dropped and now the market price is around FOB USD2.2-2.3/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 manufacture's supplying status.



ONE-STOP GREEN ADDITIVES MANUFACTURER AND SUPPLIER

