

One stop solution supplier

OCT
23

AMINO ACID
MONTHLY
REPORT

VEGA



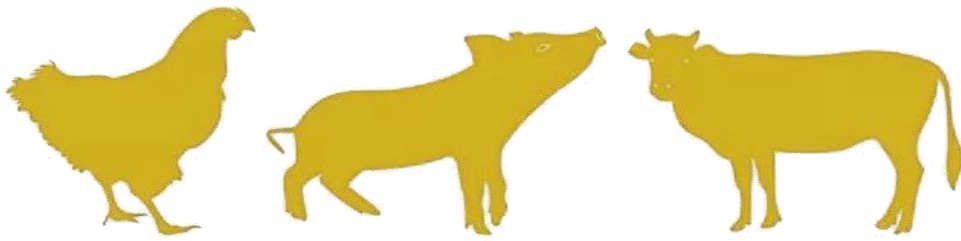


Amino Acid Monthly Report

Oct. 23th, 2023

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VEGA GROUP

【Preface】

➤ **Breeding situation**

This year's pig breeding market came out of the loss stage in August and achieved a slight profit. After entering October, the pig breeding market once again entered a state of balance or even a slight loss with the decline in pig prices. It is expected that after November, pig prices will rebound and rise seasonally, but the overall upward space is not large. For the full year, the market as a whole should still be in loss.

As far as this year and next year are concerned, pig farming as a whole will be in a state of slight profit or even a small loss in stages. From the perspective of the cycle, the current pig price is in a downward cycle, which means that the profit level will decline significantly. The current cycle shows the characteristics of the downward cycle is significantly longer than the upward cycle, and in the state of market saturation, production capacity is relatively stable and at a high level.

➤ **Raw materials**

From the whole September soybean meal sales quantity, in addition to the transaction of more than 100,000 tons on September 1 and more than 50,000 tons in a few days, the transaction of soybean meal is relatively weak in most of the time. And the total sales of nearly half of the working days is less than 20,000 tons, mainly because the feed farming enterprises do not buy when market is down and prefer to wait and-see. In the early stage, many traders and feed breeding enterprises have purchased certain contracts, most of which are based on the execution of contracts, and the number of continued transactions is limited.

In addition, the downstream pig and broiler breeding sales is not good, and as the Mid-Autumn Festival peak season passed, feed breeding enterprises are more cautious. Even if the demand for feed will improve after the temperature drops, the incremental demand for soybean meal after the expected decline in livestock and poultry stocks is limited, and the sufficient supply of soybean meal makes the market more weak, which is not conducive to the price rise.

➤ **Market situation**

In September 2023, China's methionine imports increased by 29.7% year-on-year and 49.3% month-on-month, and the average import price decreased by 12.2% year-on-year and 5.71% month-on-month. From January to September 2023, China's cumulative import volume of methionine increased by 2.6%, and the average import price decreased by 13.2%. In September 2023, China's methionine export volume increased by 12.8% year-on-year, a slight increase of 0.5% month-on-month, and the average export price decreased by 17.7% year-on-year, a slight increase of 0.64% month-on-month; From January to September 2023, China's cumulative methionine export volume decreased by 19.3% year-on-year, and the average export price decreased by 24.0% year-on-year.

Although the export volume of methionine in September increased year on year, the import volume increased more, while the cumulative export volume of methionine from January to September decreased significantly compared with the same period last year, and the cumulative import increased slightly by 2.6%. Therefore, in September, the supply and demand of methionine in the Chinese market did not fundamentally change.

Threonine

The mainstream quotation of threonine in the domestic market is USD1480-1500/MT. Although the cost of raw materials is falling, the supplement is a little tight and the delivery time already be arrange to December. At present, the price of threonine is expected to be stable.

European threonine market price EUR1.55-1.69/KG, with a slight increase.

Lysine Hcl

Lysine hcl 98% is keeping strong this month. The trend is keeping stable since Q3. The new offer for lead time is delayed to mid-early December, we predict the lysine hcl will keep stable and strong for a short time. Market price is around FOB USD1410-1430/MT depending on different quantities and brands, lead time (ETD). Need to focus on situation before December holiday season.

Lysine Sulphate

The market is stable and a bit weak this month. Prices were basically stable before the Chinese National holiday, and most terminal client's stocking was completed before the holiday. After the holiday, the market's enthusiasm for purchasing decreased, actual transactions were average, and customers mainly replenished goods according to rigid needs.

At present, the supply is relatively tight, Meihua stopped offering, and the delivery time of other manufacturers has been from late November to December.

The current mainstream quotation in the export market is about USD860-900/MT (FOB). It is expected that the price of lysine sulfate will remain stable in the future. .

Valine

The mainstream Chinese domestic valine market tends to be weak, currently quoted at FOB USD2.6-3/KG. and the effective supply of the market has increased slightly as the new production capacity of the industry has been put into operation

The European market quotes EUR4.1-4.3/KG, the EU market supply is sufficient, but because the EU external prices began to rise, so the EU price stopped falling and began to stabilize

Tryptophan

In late September, the price of tryptophan was at a high level, transaction was not much, end users purchase on demand. In October, the domestic factory export quotation is weak adjusted. Due to the price is relatively in high level and the soybean meal price is weak, the overall market purchase and sales are slightly light after price adjust, the factory is mainly arrange the delivery of previous order, the trade market price is about USD9/KG FOB.

Methionine

In Oct, some DL-Methionine factories are still continue to stop offering, thus the market price is accordingly get rised, now the market price is around USD 2.6-2.7/KG. As news that Evonik production base in Singapore will be stop producing for 3 months, thus the current cargos supplying status gets tightly in the market now. For end users, mostly are still wait and see, it needs to take more attention about the supplying status next.



ONE-STOP GREEN ADDITIVES MANUFACTURER AND SUPPLIER

