

AMINO ACID MONTHLY REPORT

Report Date. Jan 30,2024

One stop solution supplier





VEGA



***IDEAS FOR
BETTER LIFE***

Amino Acid monthly report

Report Date. Jan 01,2024

***ONE STOP
SOLUTION SUPPLIER***

03	PreFace
03	Threonine
05	Lysine Hcl
05	Lysine Sulphate
05	Valine
06	Tryptophan
06	Methionine



PREFACE

BREEDING SITUATION

Chinese pig prices rose continuously in January. As the Spring Festival is approaching, the farmers are reluctant to sell at low price and consumption expectations are gradually fulfilled, supporting pig prices to continue to rise. However, with the continuous rise in pig prices, some farmers choose to sell first in exchange for cash flow, which lead to losse the market supply, and the rise in pig prices has slowed down.

In February, the overall production of pigs in China will continue to decline. The overall volume of commercial large pig production continued to decline, but the overall volume of pig slaughter before the Spring Festival in early February continued to peak, and residents' pork consumption demand will continue to grow and gradually enter the peak. Due to the continuous decline in pig prices before, a large number of small and medium-sized bulk weight pig sources have been mostly cleared, resulting in a decline in livestock stocks in the second half of January and a simultaneous decline in stock volume, and the supply gradually turned to regional tightening, so the chance of pig prices rising has been significantly increased.

It is expected that the second half of the pig price shock will continue to rise until the Spring Festival, but the local correction risk of slowing down in early February will expand, and the local regional market still has an opportunity to rise during the Spring Festival in February, but the country as a whole is falling, and the risk of falling prices in the second half of February will be further increased. Looking further, after the Spring Festival in March to April, the overall probability of a decline in the price of commodity big pigs is significantly higher, and only a short-term opportunity to rise exists.

RAW MATERIALS

With the approach of the Spring Festival, pig breeding has gradually entered the off-season, and the downstream medium and large feeding enterprises have basically ended their stocking before the year, and there may be only a small amount of demand for supplementary orders in the future. Therefore the support for corn prices has further declined.

In February, the overall supply of corn in China was still sufficient, and the enthusiasm of selling was still high. The stocking up plan before the Spring Festival has been finished, and the actual impact on corn prices is obviously limited. Most of the time in February, the overall corn prices in the producing areas will be still weak. After late February, there is expected to have a short-term upward trend, as the relatively concentrated replenishment plan will start after the festival.

At the same time, it should be noted that due to the surge in imports of corn in November and December 2023 - imports of 3.59 million tons in November and 4.95 million tons in December, both of which set records for the highest monthly imports on record; On the other hand, since China lifted its barley import restrictions on Australia in August 2023, China's barley imports have begun to increase rapidly and continuously since September, the interest and use of barley by feed breeding enterprises in coastal areas has also increased significantly, so the pressure of corn replacement is also increasing significantly.

Threonine

The manufacturer's quotation is weak and stable, and the transaction volume is relatively low. The export quotation of threonine is weak at USD1350-1370/MT, and attention should be paid to mainstream enterprise quotations. The end user Spring Festival stocking has ended, and users are bearish on the future market, resulting in overall weak purchasing and sales in the market.

According to customs data, 53000 tons of other amino alcohols and phenols were exported in December, a decrease of 3.6% month on month and a year-on-year increase of 27.5%; From January to December, the cumulative export volume was 569000 tons, an increase of 4.1% year-on-year.

Lysine Hcl

Lysine 98% is keeping stable this month, buyers already bought the cargo in early January for Q1-Q2 demand, the transportation will be paused during end of January to 4th week of February for Chinese new year holidays. Now the lead time of factories is around mid March. FOB pricing is around USD 1180-1230/MT depending on different kinds of brand and quantities.

Lysine Sulphate

The market is stable and a bit weak this month. End-users have already basically completed their goods stockings, and they mainly purchase goods at low prices for urgent needs.

The current mainstream quotation in the export market is about USD665-725/MT (FOB), with Mid March lead time. We need to pay attention to the production situation of manufacturers in future. And it is expected that the price of lysine sulfate will be stable.

Valine

Valine market is currently oversupply, the market price tends to be stable in weak level, replenishment sentiment and market inquiries are in light transactions. Now the market price at USD2.1-2.3/KG, seems that already in the very low level. Need pay attention to the delivery schedule of the manufacturer also consider that will have Chinese holiday in end of Jan for most of factories, so most delivery already after Chinese New Year.

Tryptophan

In early January, the price of tryptophan in the trade market was stable, and the delivery progress of enterprises was concerned. CJ plans to carry out two months of maintenance at its plant in Malaysia in the second quarter of 2024, during which time investment and construction work on tryptophan and other specialty amino acids will be carried out. In January, the factory opening probability is stable, the spot shortage situation gradually eased, the spot in some regions is still tight, the terminal demand is weak, and the demand is replenished. Under the high price of feed enterprises stocking intention is low, the transaction is general. At present, the mainstream quotation of the domestic tryptophan market is USD9.3-9.6/KG.

Methionine

In Jan, DL-Methionine is relatively stable and supplying status is still little tight, now the market price is around USD2.8-2.9/KG. The factories are mainly execute the old orders, and one main factory plan to facility maintenance in March 2024, thus the factories are actively insist the price. Down-stream demands are still weak, the end users are mainly make purchase based on current demands. It needs to take more attention about the supplying status and delivery time next.

***ONE-STOP
GREEN ADDITIVES
MANUFACTURER AND SUPPLIER***

VEGA GROUP

