

AMINO ACID MONTHLY REPORT

Report Date. June,2024

One stop solution supplier





VEGA



***IDEAS FOR
BETTER LIFE***

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***ONE STOP
SOLUTION SUPPLIER***

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PREFACE

BREEDING SITUATION

From the perspective of the supply side, enterprises' monthly slaughter plans are maintaining a normal pace, but there is a noticeable weakening in market price support sentiment. The increase in supply has exerted pressure on market prices. However, the primary factor contributing to the decline in pig prices is the softness in demand. As temperatures rise, consumer demand for pork is displaying signs of weakness. Additionally, competition from alternative products such as beef and mutton has further squeezed the fresh pork consumption market.

In this context of supply-demand imbalance, slaughtering enterprises are facing significant operational pressures. Weak downstream demand has led manufacturers to reduce slaughter volumes and continue to decrease operating rates.

Faced with this situation, both the breeding and slaughtering ends find themselves in a predicament. The push-up sentiment at the breeding end is constrained by end-user consumption and shows little sign of significant improvement. Market expectations for short-term trends are relatively bearish, leading to a continued slight weakening trend in pig prices.

RAW MATERIALS

In China, the remaining grain sources in the main production areas of corn have bottomed out. Traders are bullish on the future market and have a strong sentiment of holding back sales. The effective supply of corn in the market has tightened, supporting the price increase. However, new wheat has shown cost-effective substitution potential. The supply of imported grains remains relatively loose. The purchasing increment of corn by demand enterprises is limited, and the market still bears certain pressure. The national average spot price of corn rose by 2.35% month-on-month in June.

As the temperature gradually rises, many areas in the country have ushered in a season of high temperature and rainy weather. This, on the one hand, leads to difficulties in preserving soybean meal feed, and the feed intake of livestock and poultry has slightly declined, resulting in a limited overall increment in demand for soybean meal at the breeding end, which is not comparable to the increase in soybean meal production. The supply of soybean meal in the market remains loose, causing the price of soybean meal to continue to fall under pressure and adjust.

Threonine

This week, mainstream companies have seen a slight price increase in their quotes, with limited sales and some manufacturers suspending their quotes. The trading market has quoted USD1400-1430/MT. The overall inventory of end users is not large, and they mainly purchase while using. Pay attention to the manufacturer's export order signing situation. It is expected that the price of threonine will be adjusted steadily in the short term.

Lysine Hcl

Lysine HCL 98.5% has a bit strong rebound and rising trends in June. In early June, the mainstream factories raised Lysine HCL prices, causing a slight increase on overall market. In late of June, due to the CPHI exhibition hold, major factories stopped reporting at late~end of the month.

Regarding the delivery time, most factories's delivery time is generally approach at August. Besides, the sea freight cost is still in slow rising per week. Based on the above situations, the market supply is tight.

Currently, the Lysine HCL 98.5% price is about FOB \$150~\$1520/MT with the lead time is at August. It is expected that the price will remain stable and strong in the short term.

Lysine Sulphate

This month, the overall market transactions price has been increased a bit. The delivery time is quite tight, most factories offer around August.

The current market price is about USD760/MT (FOB). It is expected that the price will remain stable and strong in the short term.

Valine

At present, the mainstream quotation of the domestic valine market is 1.9-2.0usd/kg. The market is weak in the context of current oversupply, downstream demand is light, Prices are expected to be stable in bottom level

European market valine price 2.8-3 euros /kg. The overall market is quiet at the moment, with only light spot buying activity.

Tryptophan

In June, the supply of tryptophan exceeded demand, prices continued to weaken, there were more new enterprises, the expansion of production capacity accelerated, and the downstream was mainly purchase according demand. At present, the Chinese mainstream factory price is USD7.25-7.38/kg

Methionine

In June, the market deals are weak, mainstream price is around USD 2.7-2.8/KG. Less demands from end users and unactively inquiry in the market, the users are just make purchasement base on current needs. In Q3, the NHU, CUC both has plan to stop production for facility maintenance, it will be influence the market in short time. Also, please highy care about the sharply rised of shipping cost next, then make preparation in advance.

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