

JUNE

AMINO ACID MONTHLY REPORT

VEGA





Amino Acid Monthly Report



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【Hot spot】

➤ Corn market

Domestic Market: Since mid of May, the price in North China has dropped by 20-80 yuan in 5 days. With the price falling, the purchases dropped to a low amount. Then the price rebounded slightly. And on May 28th, as the auction of temporary reserves started, corn prices began to warm up. As the high prices of the previous two auctions, this week's auction is expected to remain enthusiastic. Supported by cost and mentality, the spot market will keep strong at least in the short term.

International market: Previously American corn market showed a temporary rising trend, but then did not succeed to break through, again back to the range of shocks. In terms of supply, the spring sowing progress of American corn is fast, with good seedling emergence progress, and the overall yield is expected to be high. Brazil's corn forecast was revised down again, lower than last year; Argentina's corn crop is expected to be stable. Overall supply prospects of corn market is good; On the demand side, the U.S. corn export inspection volume decreased month-on-month, while ethanol demand was relatively poor. But recently it showed a recovery trend.



Lysine Sulphate

Since the price of Lysine Sulphate's raw material-corn increased to a high level, the manufacturers raised prices slightly to boost the market. At the same time, the purchase intentions of downstream companies have enhanced as the increased demand. The market price is about \$580-\$600/mt according to different manufacturer. Shipments from manufacturers have increased slightly to curb cost increases. Affected by the epidemic situation, the situation in the international market remains to be seen and export shipments are basically normal.

Forecast: As end user took too much stocks previously, the market expect the price will keep stable and drop steadily.

Lysine Hcl

Because of the twice corn auctions, the corn price kept stable with the firmness of high transaction and high price. At present, with the increasing cost of Lysine raw materials, the cost pressure of manufacturers also became heavier. Although the European and American markets back in June, demand still not good enough as it's off season. Manufacturers now are under great pressure of high cost and weak demand.

Valine

The downstream demand of the domestic Valine market was less than expected, the trade market price was more weak. Although the market demand gradually warm up, but at a much slower pace than expected. As a result, the market was overly pessimistic, and the short-term market price was expected to weaken. One factory in Shenyang has resumed production. A major domestic Valine manufacturer gradually increases capacity, which makes the later market supply be more than sufficient. Terminal demand less than expected, the current market quotation is relatively weak.

Threonine

At present, the prices of Chinese source are getting stronger, and the forward orders are signed well. The delivery date of new orders in July, and the manufacturers' offer is stable. The export price is basically the same as the domestic market price, the international epidemic situation is severe, and the demand situation in the international market remains to be observed.

Some manufacturers have begun to stop production for maintenance, need to pay attention to the production and shipment of the manufacturers, also the export situation.

Tryptophan

Currently, price of Tryptophan is stable as well as demand. Some users begun to sign orders for Q3. Manufacturer began to stop production for yearly maintenance, for example, one factory has already started maintenance, and another main factory plans maintenance for 25-30 days in mid-June. At present, the operating rate of the domestic industry is at a low level, and it is necessary to pay attention to the production situation. The export prices in the international market are a little bit low relatively. It is expected that the Tryptophan market will be relatively weak in the short term.

Methionine

Recently the market is still keep stable but with weak demand. Customers prefer to wait for seeing the market more clearly. The market price is around Euro 2.35-2.40/KG in Europe, some end users are preparing the Q3 purchase plan. Please note that NHU is still in status of maintenance, the new production line is under planning. Adessioin Nanjing is expected to complete maintenance in June.

Affected by the COVID-19, the market situation is pretty weak. We should be attention to the end users demands and the supplying status.



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