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**NATURAL
ESSENTIAL OILS
MARKET SITUATION**

Early of Dec. 2019

FRAGRAND AROMAS LTD

Products in this report

Eucalyptus Globulus Oil
Chinese Geranium Oil
Litsea Cubeba Oil&Citral Natural
Ginger Oil FCC
Cassia Oil&Derivatives
Star Anise Oil
Tea Tree Oil
Michelia Alba /Magnolia
Flowers&Leaves Oil
Osmanthus Concrete&Absolute





NEAR THE END OF THE YEAR'S CROP SEASON FOR OUR CHINESE TEA TREE OIL

Any inquiry please contact us

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EUCALYPTUS OIL &EUCALYPTOL

At present the Eucalyptus crude oil price maintain at RMB 78-80/KG, most farmers still have some crude oil stocks that distilled in past months with higher costs, and many village's oil brokers also have high price stocks of crude oil that directly collected from farmers. For the production Factories, about 75% in all China production area still have very high price stocks that purchased in the first half year, and unsold, those factors making this year's new main autumn&winter crop season have very few oil into the market, for the current price not make farmers satisfy and they also have stocks. Also at present it should be the busying purchasing season for oversea clients before the Christmas Festival holiday, but this year it's different, the current demand market still very quiet and weak, factories also lost enthusiasm and confidence for the market and unwilling to purchase new material for stock and production.

Some state-owned enterprises or big companies in order to reach the sales volume goals at the end of this year and in order to get loan from government and banks, they'll be offer some far below market price to get orders, no matter how much money they lose from the transaction, but after Dec. those very low price for Eucalyptus oil could be very difficult to find. Because there is some unpredictable factor will be greatly influence the market price in the next two months, for this year the Cold Winter weather condition in China seems earlier than last year, and we don't know whether there will be have big snow in Dec. or Janu at the main production area, also our Chinese New Year Festival holiday earlier then one month compared with past years, many factories and companies will be close at the middle or end of Janu. If there have big snow and greatly influence the Eucalyptus tree growth after Janu.and also the demands begain active after our CNY festival then we think the Eucalyptus oil market could be mad again.

CHINESE GERANIUM OIL

The crop season for our Chinese Geranium Oil was just ended and although this year's total production was higher than last year, but in those three months the market price was on lower side and very close to the total production costs, many Geranium oil brokers and factories that have many stocks bear great capital pressure for the bank's benefits and loan costs are increasing, at present our Chinese high quality Geranium oil price is a little increasing, but still in a very reasonable price range.



LITSEA CUBEBA OIL&CITRAL

The current price for Litsea Cubeba Oil and Natural Citral maintain stable, the market still have stocks, influenced by the global Citrus oil and Citrus Flavor weak demand, this year our China's Litsea Cubeba oil and Citral didn't sell very well, even if the current price is very close to this year's production costs.

From this year's tough year situation, we can see in next year those two materials price could be in a very higher level, because we contacted many Litsea cubebe oil farmers and producers that this year's production Litsea cubeba oil making them lose money except the production costs and bank's loan capital benefits, about 80% farmers and producers stated that they will no continuing processing the oil or expanding the production in 2020's new crop season.





CHINESE GINGER OIL

Recently the Ginger Oil FCC grade price is increasing very quickly. Considering for the following main reasons: firstly, influenced with our China strong Spice market demand, the dried ginger root slice price is increased near about 50% compared with early of last month; secondly, in the first half of this year our Chinese Ginger Oil price was very stable, most of the factories didn't collect enough dried ginger root slice for stock, caused currently for some orders they have to collect increased price raw material to process and finish the orders, all those factors prompt the total production costs and price of Ginger Oil. But considering at present the Ginger oil price still relatively low and reasonable, we advise clients have demands can consider now. (We only left 3 Tons good quality Ginger oil FCC grade in stock)

STAR ANISE OIL & ANETHOL NATURAL

In those two weeks, there was RMB 3-RMB 4/KG price downward for the Star Anise Fruit Oil, for the main reason was that it's near our Chinese New Year Festival, some farmers that have crude oil stocks and also shortage of money for the prepare of CNY, they decreased the price from their own initiative to quick sold out. And also it's near the end of this year, some large oil brokers and factories have to pay some bank loan when it's on due, they also have to decrease some price to get cash.

But this year the Star Anise fruit price in spice market was the highest compared in last three years and this new autumn crop season there is very few fruit into the essential oils market to distill the fruit oil, they also unwilling to cut the leaves to distill the leaves oil to fear the year of 2020 spring fruit not growth very well. Therefore, the current market supply of star anise oil still very shortage and the current decreased price is just temporary and also will be very short. New Spring oil have to wait until after April, just from the current price, it should be the lowest level compared in the past 4 months.





CASSIA OIL&DERIVATIVES

In those two weeks our China Cassia oil and other derivatives (like Natural Benzaldehyde, Cinnamaldehyde, Cinnamyl Acetate, Coumarin, O-Methoxy Cinnamaldehyde) price begins adjusting and increasing a little. In this year overseas clients' demands for our China cassia oil become weak. (past years our China production for Cassia oil was about 600-800 Tons, and there were few stocks near the end of the year, but this year our China total about 200-250 Tons cassia oil still not consumed and have about 50-70 tons in stock).

For our China's factory that processes Natural Benzaldehyde and Natural Cinnamaldehyde also decreased the large purchasing of cassia oil, in the past few months our China Cassia oil price was maintained at a very low level. Based on the current low market price, for the collect price for dried Cassia leaves and twigs must be lower than this year's Spring crops price then can make a little profit when process to cassia oil, and farmers unwilling to go to mountains to cut cassia oil leaves and twigs, this Autumn crop season almost no new material available and very few autumn oil can be into the market.

We estimated from this month until end of May, 2020, our China cassia oil price will be hold steady and further increasing trends.

TEA TREE OIL

It's near the end of harvest tea tree oil season in our China, and the price in this week begins increasing. This summer in the our China main production area there was very few rains and influenced the growth of Tea Tree Oil, this year's harvest was not good and total production less than last year.

At the same time, this year the Australia Tea Tree Oil was also influenced by the drought weather condition and Forest wild fire, their Tea tree oil production also decreased a lot, some oversea clients begin come to our China for purchase some high quality tea tree oil to cut down the costs and decrease the shortage material risks, this situation further pushed our China's Tea Tree Oil price increasing.



MAGNOLIA FLOWER&LEAVE OIL (MICHELIA ALBA FLOWER OIL)

The crop seasons for Michelia flower oil was already over since last month, this year's harvest was not good for the michelia flower tree is too tall and it's very costly to collect the small flowers from the trees and hard to find labor to do this job, the flower as our China's special and unique floral fragrance, and especially our China and other countries' Tea Industry have strong demands for this flavor and fragrance caused some competition when collect the flowers from farmers.

For the flower oil the supply is limited, for clients have demand we advise you can buy now, the current price still on a reasonable side. (We only have 80kgs available)

Michelia leaves oil it's the harvest season, for the earlier Cold Winter weather condition influence in our China, the crops will be end within this month, price is stable at present.





OSMANTHUS CONCRETE&ABSOLUTE

It's the crop season, but the Osmanthus flowers collect season was ended, from this year's flowers production, the total quantity for Osmanthus concrete and absolute will be less about 50% compared with last year, but considering last year produced Osmanthus concrete still have stocks in the market, in general the current market demand and supply is balance.

(Our company supply two kind of flavors for the Osmanthus concrete, means fruity and floral to meet different clients' requirements)



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