

METALS DAILY

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BATTERY METALS

Lithium prices take pause after New Year

Singapore – Seaborne lithium carbonate and hydroxide sat unchanged on the week Friday on thin market activity.

For battery grade lithium carbonate and hydroxide delivered into North Asia, trading was limited this week, as participants began to return to the market after the new year period.

S&P Global Platts assessed both battery grade lithium carbonate and hydroxide unchanged on a CIF North Asia basis, at \$12,700/mt and \$16,000/mt, respectively. The prices refer to deliveries at the main ports of China, Japan and South Korea.

Tradeable values were heard for lithium carbonate at \$12,700/mt and for lithium hydroxide at \$16,000/mt by a Japanese trader, who commented that Japan was only just returning from the new year holiday.

Both grades kept above import parity in China: in the case of lithium carbonate, \$12,700/mt CIF was equivalent to Yuan 101,626.3/mt, including 16% VAT, based on the Platts import-parity formula. The \$16,000/mt

[\(continued on page 2\)](#)

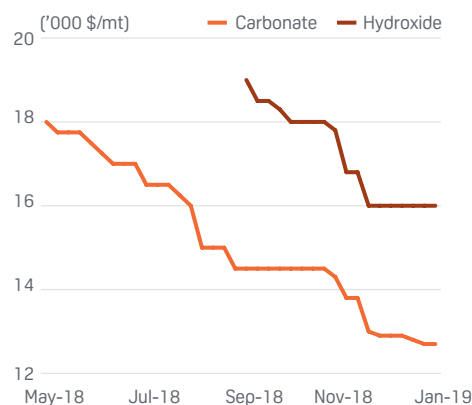
BATTERY METALS

Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	12700	0	4-Jan-19
Lithium Carbonate DDP China (Yuan/mt)	80000	0	4-Jan-19
Lithium Hydroxide CIF North Asia (\$/mt)	16000	0	4-Jan-19
Lithium Hydroxide DDP China (Yuan/mt)	107000	-2000	4-Jan-19

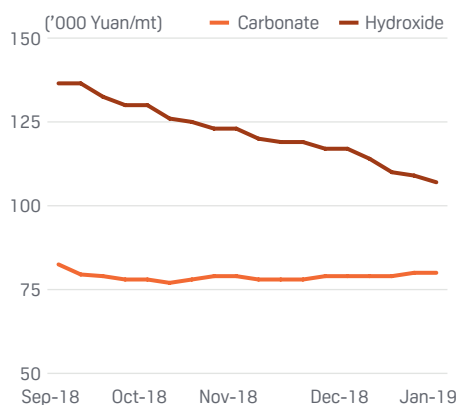
PLATTS LITHIUM CARBONATE AND LITHIUM HYDROXIDE:

CIF NORTH ASIA



Source: S&P Global Platts

DDP CHINA



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lithium hydroxide assessment was equivalent to Yuan 127,903.3/mt on the same basis. The yuan was assessed at 6.8644 to the dollar at 4:30 pm Singapore time Friday.

Several market participants have been reporting in the past few weeks that prices for spot trades and term contracts are likely to converge since the latter have been pointing down, both for lithium carbonate and lithium hydroxide. Over 2018, spot prices tended to be always lower than those of term contracts.

In the Chinese domestic market lithium carbonate sat unchanged, while lithium hydroxide fell Yuan 2,000 on the week.

Lithium hydroxide DDP was assessed at Yuan 107,000/mt Friday, falling Yuan 2,000 and maintaining the downward trend seen since September 2018.

As one consumer reported buying lithium hydroxide in the range Yuan 106,000-108,000/mt, while tradeable values were heard at Yuan 105,000/mt by a producer and Yuan 109,000/mt by another producer and consumer this week.

Lithium carbonate was assessed at Yuan 80,000/mt flat on the week, in line with 3 trades done at this level, heard from multiple producers, also captured were trades at Yuan 78,000/mt and Yuan 83,000/mt by a further two Chinese producers.

The Lunar New Year has seen demand bolstered in recent weeks, with one consumer commenting that some major producers were booked out. One seller also confirmed that they had no spare volumes ahead of the Lunar New Year and that they had been forced to reject some orders.

Despite the uptick in demand, several producers stated that their prices had not risen this week, but one suggested that they could potentially see them moving ahead of the Lunar New Year holiday.

A Chinese seller was offering lithium carbonate at Yuan 81,000-82,000/mt, although he is "still selling at Yuan 78,000-79,000/mt for regular customers."

A second Chinese supplier trading at those same levels said: "Inquiries from end users increased as they wanted to stock up before the Lunar New Year holidays, so prices might be little changed before the holidays."

A third seller was offering at as high as Yuan 85,000/mt, with "trades to large clients at about Yuan 80,000/mt and other customers at Yuan 83,000/mt."

Several consumers said that they expected lithium carbonate prices to come down by the end of 2019. Given this bearish outlook, one consumer said they were hesitant to stockpile too heavily ahead of the

Lunar New Year.

Sources also expect the carbonate-hydroxide spread to shrink throughout 2019, which is already being noticed in the Chinese domestic market. Lithium carbonate recently gained some momentum in the country, while hydroxide has been falling.

The gap, which in September 2018 was at Yuan 57,000/mt, was cut by over half to Yuan 27,000/mt currently. "LH and LC spread is gradually narrowing. Cash costs of the two products are similar," one consumer said.

A major producer based in Jaingxi province is expected to undergo annual maintenance in February, the turnaround on one of its spodumene concentrate converting plants is expected to remove 1,300mt/month capacity of lithium hydroxide, lithium carbonate and lithium chloride from the market a source close to the company said Friday. One market participants suggested that this may see supply tighten, but did not expect to be impacted themselves.

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Cobalt sulfate sees Chinese stockpiling ahead of Lunar New Year

The cobalt sulfate market experienced an uptick in demand this week as consumers looked to stockpile material ahead of Lunar New Year celebrations.

S&P Global Platts assessed cobalt sulfate with a 20.5% cobalt content at \$13,400/mt CIF North Asia on Thursday.

Producers were heard offering material this week. A European seller offered material delivered into Japan or South Korea at £13,500/mt and considered offers of \$14,000/mt to be too high.

A China-based producer, however, was heard offering at \$14,000/mt CIF Japan or South Korea for cobalt sulfate (21% Co), which typically trades at a premium to material 20.5% material.

The Chinese producer saw prices higher in both the European and American market, suggesting that levels of around \$14,500-

\$15,000/mt could be found.

Longer-term contracts delivered into North Asia were heard to be pricing in the region of \$14,000/mt for contracts of between six and 12 months, but there were suggestions that customers taking larger volumes could get lower prices.

In the Chinese domestic market, participants have been active in recent weeks as they have looked to build inventories ahead of the Lunar New Year. The celebrations see China officially closed over February 4-10.

Logistics are also expected to be impacted prior to the Lunar New Year, with one market participant saying that logistical operations would cease on January 25, leaving consumers only two weeks to procure enough material to last the break.

The uptick in demand from holiday stockpiling has bolstered domestic prices, which were reportedly in the region of Yuan 65,000/mt last week.

This week, however, a Chinese seller said that domestic cobalt sulfate (20.5% Co) was trading in the range Yuan 68,000-69,000/mt, while another reported offering at Yuan 74,000/mt for 21% Co content.

Domestic cobalt sulfate suppliers are keen to see prices increase, as the present low prices are forcing many producers to operate below costs, one Chinese producer said, adding that he expected a further price rebound ahead of the Lunar New Year.

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