

METALS DAILY

REPRINT: Volume 7 / Issue 137 / July 13, 2018

BATTERY METALS

Battery-grade lithium carbonate prices stayed flat amid muted activities

Singapore—Seaborne lithium carbonate prices were unchanged this week as buyers kept pushing with lower bids, to which sellers responded with steady offers.

S&P Global Platts assessed spot 99.5% battery-grade lithium carbonate at \$16,500/mt CIF North Asia. The assessment is normalized to meet specifications for battery-grade product delivered in the main ports of China, Japan and South Korea.

The \$16,500/mt CIF North Asia mark was equivalent to Yuan 130,270/mt DDP China and Yuan 112,300/mt, with port handling fees included but VAT not included, based on Platts import parity formula. The dollar/yuan exchange rate was settled at 6.6727 Friday.

Despite the significant price reduction in the past couple months -- S&P Global Platts' inaugural assessment was at \$18,000/mt on May 4 -- market participants said there is still room for further cuts, especially for negotiations involving Chinese consumers.

A producer in the Americas who saw prices falling in his recent talks is

BATTERY METALS

Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	16500.00	0.00	13-Jul-18

negotiating at \$15,000/mt CIF China and \$16,500-17,000/mt CIF Japan or South Korea, while a cathode manufacturer in the same continent sees prices "flat so far [in the region], maybe they will fall next year to follow what is happening in the Chinese market."

A North China buyer who was aware of the \$15,000/mt figure by the above producer still kept his indicative bid level at \$11,000/mt on a CIF basis, emphasizing "we are not in a hurry to buy".

Negotiations between the two parties are still in a stalemate after several weeks. The buyer did not comment on the question that a tradeable value could possibly tend to the high end or the low end and said "up to final discussion".

A Japanese trader said Chinese users

were asking \$11,000/mt for industrial-grade lithium carbonate, but wouldn't expect big upcharges for battery grade product, which could possibly trade at \$12,000/mt. However, out of China, import price could be higher as some contract prices are under discussions over \$15,000/mt but not above \$16,500/mt.

He also indicatively expressed his opinions for spot price at "maybe lower" than \$16,500/mt on a CIF basis.

A Chinese producer source, however, disagreed with the trader's idea and kept his indicative offer at \$18,000-20,000/mt CIF for all the three major consuming countries -- China, Japan and South Korea.

Slow demand and ample supply are still quoted as the main drives to curb the market. Some Chinese manufactures have

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

METALS DAILY

Volume 7 / Issue 137 / July 13, 2018

ISSN: 2325-0658

The names "S&P Global Platts" and "Platts" and the S&P Global Platts logo are trademarks of S&P Global Inc. Permission for any commercial use of the S&P Global Platts logo must be granted in writing by S&P Global Inc.

You may view or otherwise use the information, prices, indices, assessments and other related information, graphs, tables and images ("Data") in this publication only for your personal use or, if you or your company has a license for the Data from S&P Global Platts and you are an authorized user, for your company's internal business use only. You may not publish, reproduce, extract, distribute, retransmit, resell, create any derivative work from and/or otherwise provide access to the Data or any portion thereof to any person (either within or outside your company, including as part of or via any internal electronic system or intranet), firm or entity, including any subsidiary, parent,

or other entity that is affiliated with your company, without S&P Global Platts' prior written consent or as otherwise authorized under license from S&P Global Platts. Any use or distribution of the Data beyond the express uses authorized in this paragraph above is subject to the payment of additional fees to S&P Global Platts.

S&P Global Platts, its affiliates and all of their third-party licensors disclaim any and all warranties, express or implied, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use as to the Data, or the results obtained by its use or as to the performance thereof. Data in this publication includes independent and verifiable data collected from actual market participants. Any user of the Data should not rely on any information and/or assessment contained therein in making any investment, trading, risk management or other

decision. S&P Global Platts, its affiliates and their third-party licensors do not guarantee the adequacy, accuracy, timeliness and/or completeness of the Data or any component thereof or any communications (whether written, oral, electronic or in other format), and shall not be subject to any damages or liability, including but not limited to any indirect, special, incidental, punitive or consequential damages (including but not limited to, loss of profits, trading losses and loss of goodwill).

ICE index data and NYMEX futures data used herein are provided under S&P Global Platts' commercial licensing agreements with ICE and with NYMEX. You acknowledge that the ICE index data and NYMEX futures data herein are confidential and are proprietary trade secrets and data of ICE and NYMEX or its licensors/suppliers, and you shall use best efforts to prevent the unauthorized publication, disclosure or copying

of the ICE index data and/or NYMEX futures data.

Permission is granted for those registered with the Copyright Clearance Center (CCC) to copy material herein for internal reference or personal use only, provided that appropriate payment is made to the CCC, 222 Rosewood Drive, Danvers, MA 01923, phone +1-978-750-8400. Reproduction in any other form, or for any other purpose, is forbidden without the express prior permission of S&P Global Inc. For article reprints contact: The YGS Group, phone +1-717-505-9701 x105 (800-501-9571 from the U.S.).

For all other queries or requests pursuant to this notice, please contact S&P Global Inc. via email at support@platts.com. *Platts Metals Daily* is published daily by Platts, a division of S&P Global, registered office: Two Penn Plaza, 25th Floor, New York, N.Y. 10121-2298

To reach Platts: E-mail: support@platts.com; North America: Tel: 800-PLATTS-8; Latin America: Tel: +54-11-4121-4810; Europe & Middle East: Tel: +44-20-7176-6111; Asia Pacific: Tel: +65-6530-6430

been cutting production amid traditional summer lulls.

Within China's domestic market, prices remained at similar levels from last week as fundamentals were untouched. The market consolidated the down trend initiated around one month ago when the new, stricter electric vehicles subsidies policy was enforced.

A producer in East China region sold 200 mt at Yuan 110,000/mt DDP, and placed other offers in the Yuan 110,000-112,000/mt range.

"The spodumene-carbonate conversion cost will converge compared to brine [production] as the market becomes more mature and new technology improves the production process, so we are not worried about the downtrend in prices," he said. The 6% Li spodumene price was reported at around Yuan 7,800-8,200/mt, inclusive of 16% VAT.

A South Central China consumer who did not buy anything this week "as we keep the inventory levels low" also saw the carbonate tradeable value at Yuan 110,000/mt, while an East China producer kept his offers unchanged at Yuan 115,000/mt DDP China and Yuan 116,000/mt FOB China indicatively.

Turning to battery-grade lithium

hydroxide, the market seems strong on healthy demand from high nickel content ternary precursors and cathodes, as well as potential tight supply for high quality fines since China mainly produces coarse granules from the crystallization process.

Several Chinese precursor and cathode makers pegged tradeable level at Yuan 130,000-140,000/mt and sources outside China saw a similar range of \$18,000-20,000/mt, VAT included.

A trader indicated outside China, there might be many different prices for industrial-grade and battery-grade materials, such as \$19,000/mt in Europe, \$17,000/mt in India and around \$18,000-19,000/mt in South East Asia.

The consumer source in the Americas saw \$19,000/mt as the most reflective value for lithium hydroxide, on a \$17,000-19,000/mt CIF range and the producer's idea was about \$18,000-18,500/mt.

In other battery metals, sources said nickel sulphate market price drifted sideways at Yuan 27,000/mt DDP and a trader said buyers could also accept Yuan 500/mt premium for smaller volumes for some stockpiling on supply concerns.

Battery-grade cobalt sulphate in general

could be traded at Yuan 110,000/mt DDP, with a Yuan 2,000/mt discount for 20.5% and a Yuan 2,000-3,000 premium for 21% cobalt grade differentials, said a consumer.

One producer sold 100 mt above 20.5% cobalt sulphate at Yuan 108,000-109,000/mt DDP and low supply availability due to production cut last month.

Huayou Cobalt offered Yuan 122,000/mt for its minimum 21% Co cobalt sulphate on July 12, payment before delivery.

Despite some suggestions to reduce or even eliminate cobalt usage in EV batteries, "given the thriving growth in EV sales and production, overall demand for cobalt would not be dented", a Chinese cobalt market analyst told Platts.

"You can't replace cobalt entirely as it adds stability [to batteries], overall base is still large," a seller in Europe said, adding that in the longer term "such great demand you will find hard to buy cobalt."

--Xinyue Zhang, xinyue.zhang@spglobal.com

--Henrique Ribeiro, henrique.ribeiro@spglobal.com

--Marcel Goldenberg, marcel.goldenberg@spglobal.com

--Edited by James Leech, james.leech@spglobal.com