

# METALS DAILY

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## BATTERY METALS

### Seaborne lithium carbonate falls further on depressed Chinese prices

*Singapore*—Lithium carbonate sellers are struggling to resist lower import bids into Asia which are being impacted the down-trend in Chinese domestic prices.

Bearish sentiment in China, which accounts for most of the world's consumption, has been pulling down the Asian seaborne prices since at least when S&P Global Platts started to assess this market on May 4. At that time, the CIF North Asia market was assessed at \$18,000/mt.

This week, Platts' battery-grade lithium carbonate assessment fell \$250/mt for the second week in a row to \$16,000/mt CIF North Asia, considering negotiations to be delivered in the main ports of China, Japan and South Korea.

Chinese consumers are bidding at around \$12,000-13,000/mt on a CIF basis, "which is roughly equivalent to the domestic prices of around Yuan 90,000/mt," said a Chinese trader. He heard contract offers hovering around \$15,000-\$16,000/mt CIF China.

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### Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	16000.00	-250.00	03-Aug-18

"The price is not likely to stabilize in the end of this year," he said. "This year is different [than others] for two reasons -- the reduction in the government's subsidies, which will cost time for market participants to adapt, and the sell-off of brine producers from [the province of] Qinghai [where brine-originated carbonate can be produced at a lower cost than that of spodumene-converted material]."

A producer in the Americas agreed the seaborne prices are hovering around \$15,000-\$16,000/mt CIF North Asia, while a Chinese supplier is offering 30 mt spot loads at Yuan 96,000/mt DDP China. "The market has been weakening since February at the Lunar New Year holiday," he said.

A Japanese trader source said: "Yuan 90,000/mt DDP China is a lot lower than I could expect." But the source added: "There is lower interest from cathode makers for lithium carbonate, and there will be a small portion of additional supply [in the near future]. I wouldn't sell below \$16,000/mt CIF Japan or South Korea."

"If the Chinese price keeps falling to the \$12,000-\$13,000/mt CIF level, we won't be interested in selling in China anymore," said a second Japanese trader source. "Only a few major consumers in South Korea can get prices at the \$15,000-\$16,000/mt CIF level." The source added that 20 mt spot orders would be priced at \$17,000/mt CIF.

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“Our customers outside of China do not expect a huge decrease, but they want to use the lower Chinese domestic price to bargain,” said the trader, who added that the spreads between battery-grade and cheaper industrial-grade carbonate had been shrinking recently due to falling Chinese battery-grade prices.

On the high end, a Chinese supplier indicated he would keep his offers firm at Yuan 103,000/mt DDP China for lithium carbonate and Yuan 145,000/mt for lithium hydroxide on the same basis. He can export both at an additional Yuan 5,000/mt cost on a FOB China basis -- which converts to around \$15,700/mt FOB for

lithium carbonate and \$21,800/mt for lithium hydroxide.

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