

# METALS DAILY

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## BATTERY METALS

### Chinese lithium carbonate rises amid stable seaborne market

*Singapore*—Chinese battery-grade lithium carbonate prices rose this week on higher deal levels and offers, while lithium hydroxide prices continued to fall.

Seaborne prices, however, were flat as market participants await the start of term contract renegotiations in order to get a clearer picture of tradeable levels.

S&P Global Platts assessed lithium carbonate DDP China up Yuan 1,000/mt (\$144/mt) week on week at Yuan 78,000/mt, while lithium hydroxide DDP China fell Yuan 1,000/mt to Yuan 125,000/mt. CIF North Asia prices were unchanged at \$14,500/mt and \$18,000/mt for lithium carbonate and lithium hydroxide, respectively.

“Demand tends to be stronger in the fourth quarter as many buyers may increase production to meet their yearly targets,” said a Chinese producer.

“Besides, buyers’ inventory levels are relatively low by the end of the year.”

A China-based seller agreed demand is likely to pick up later this year since “buyers

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### Weekly Prices

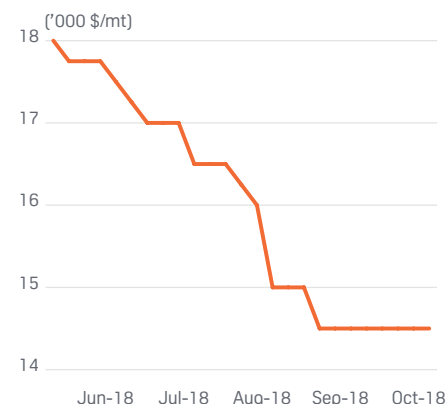
		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	14500	0	19-Oct-18
Lithium Carbonate DDP China (Yuan/mt)	78000	+1000	19-Oct-18
Lithium Hydroxide CIF North Asia (\$/mt)	18000	0	19-Oct-18
Lithium Hydroxide DDP China (Yuan/mt)	125000	-1000	19-Oct-18

were clearing inventories earlier this year, but abundant inventories should have been cleared already.”

Major Chinese lithium carbonate producers lifted offers by Yuan 2,000-3,000/mt to Yuan 78,000-85,000/mt DDP China, to reflect expectations of higher demand. Earlier this week, deals were heard done at Yuan 75,000/mt DDP China for 30-90 mt. However, a higher level was reported towards the end of the week at around Yuan 80,000/mt DDP China, according to a second Chinese producer, adding that many buyers were hesitant about buying after the price hike.

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

### PLATTS LITHIUM CARBONATE CIF NORTH ASIA



Source: S&P Global Platts

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Elsewhere, the seaborne market was stable. A Korean trader indicated tradeable levels at \$13,000-14,000/mt CIF Korea and \$15,000-16,000/mt CIF Korea for brine-made and spodumene-made lithium carbonate respectively.

The China-based seller would offer as high as \$16,000/mt CIF China or \$18,000/mt CIF Japan or South Korea. However, inquiries for carbonate are still very limited, with consumers more focused on hydroxide, the source said.

The \$14,500/mt CIF mark was equivalent to Yuan 116,709/mt DDP China (including 16% VAT), or Yuan 102,623/mt including port handling fees but excluding VAT, based on Platts import-parity formula. The yuan was assessed at 6.9387 to the dollar at 4:30 pm Singapore time Friday.

The wide DDP-CIF spread may indicate that either Chinese consumers will keep

prioritizing to buy in the domestic market instead of importing, or that seaborne prices will have to fall sharply in the coming months.

For Chinese lithium hydroxide, deals were done at Yuan 124,000-125,000/mt DDP China for NCM622 feedstock and Yuan 135,000/mt for NCM811 feedstock. The tradeable level was around Yuan 125,000/mt DDP China, market sources said.

On the import front, offers remained around \$18,000-20,000/mt CIF China.

A supplier based in the Americas said price changes were unlikely this week as he is waiting for term contract renegotiations to restart. He put Platts seaborne levels of \$14,500/mt and \$18,000/mt as still reflective of the market, and pegged the Chinese domestic hydroxide tradeable price at Yuan 125,000/mt.

During Platts Inaugural Battery Metals Conference this week in New

York, the general consensus among panelists and participants was that both carbonate and hydroxide international prices are likely to keep falling until 2020 or 2021 due to increased supply expected to come online. However, prices should rebound after this period for the rest of the decade.

Separately, for cobalt sulphate, a deal was heard done at Yuan 88,000/mt DDP China for around 200 mt for cash payment. The deal was around Yuan 89,000/mt DDP China for smaller volumes, a Chinese cobalt sulphate producer said. Nickel sulphate should currently be tradeable at Yuan 25,800-26,000/mt DDP China with no minimum quantity requirement, he said.

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