

METALS DAILY

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BATTERY METALS

Chinese domestic lithium carbonate rebounds, hydroxide tumbles

Singapore—Chinese battery-grade lithium carbonate prices rose for the second week in a row as sellers succeed in attempts to push for higher offers, while lithium hydroxide prices tumbled on lower offers and deals.

Platts Lithium Carbonate DDP China weekly assessment inched up Yuan 1,000/mt (\$144/mt) to Yuan 79,000/mt, a recovery of Yuan 2,000/mt from the Yuan 77,000/mt bottom of two weeks ago.

Offers were around Yuan 80,000-85,000/mt DDP China for cash payment or credit terms. Deals were reported done at Yuan 75,000-76,000/mt DDP China for volumes above 100 mt, while deals for smaller volumes were heard done around Yuan 80,000/mt DDP China.

The price rise was attributed to support from both demand and supply.

On the supply side, winter production slowed in China's brine regions. Brine-based sellers pushed up industrial-grade carbonate prices by Yuan 3,000-5,000/mt, with battery-grade producers follow suit, a

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Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	14500	0	26-Oct-18
Lithium Carbonate DDP China (Yuan/mt)	79000	+1000	26-Oct-18
Lithium Hydroxide CIF North Asia (\$/mt)	18000	0	26-Oct-18
Lithium Hydroxide DDP China (Yuan/mt)	123000	-2000	26-Oct-18

Chinese seller said.

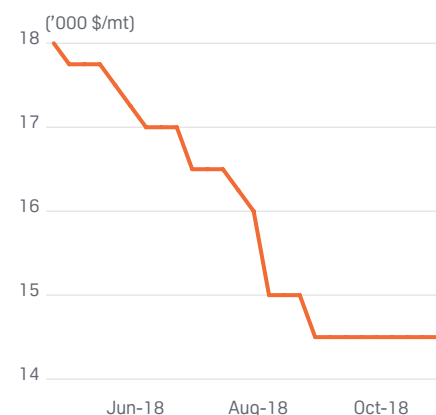
On the demand side, many buyers were forced to compromise on higher prices offered by sellers due to low stocks. "We received many inquiries and do not have any redundant inventories in plants at the moment," a Chinese producer said.

However, the producer also expressed concern over the sustainability of the price uptick. "To be honest, I am not sure when prices would start dropping again," he said.

A second Chinese producer said that despite much higher offers, deal levels did not move up as sharply as offers. "But at least the downward price trend has ended

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PLATTS LITHIUM CARBONATE CIF NORTH ASIA



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for the moment,” he said.

Additionally, an Asian trader said there were many rumors that miners and producers were having trouble expanding, which may also have affected overall market sentiment. The source cited SQM’s announcement last Friday indicating that the ramp-up of the expansion of its carbonate plant in Chile had suffered a five-week delay.

SQM said it will produce 4,000 mt less battery grade product than it initially estimated.

Despite the recent uptick, low Chinese prices are being used by consumers “to pressure the international price,” said the trader, predicting lower 2019 term contracts than this year. The source also said there had been offers for recycled lithium carbonate from end-of-life batteries as low as \$11,000-\$13,000/mt CIF in South Korea, but highlighted concerns about quality.

Another Asian trader said some negotiations for next year’s term contract were underway. For industrial grade

carbonate, the price range for next year’s contracts should be around \$12,000-\$14,000/mt CIF North Asia, he said.

Seaborne lithium carbonate prices remained stable week on week as market players await clearer price direction in the coming weeks after term contract negotiations start.

S&P Global Platts kept the battery-grade lithium carbonate CIF North Asia assessment unchanged at \$14,500/mt, reflecting deliveries at the main ports of China, Japan and South Korea.

The \$14,500/mt CIF mark was equivalent to Yuan 116,916/mt DDP China (including 16% VAT), or Yuan 102,805/mt including port handling fees but excluding VAT, based on Platts import-parity formula. The yuan was assessed at 6.951 to the dollar at 4:30 pm Singapore time Friday.

Separately, Chinese lithium hydroxide prices weakened by Yuan 2,000/mt week on week to Yuan 123,000/mt DDP China and CIF North Asia price held unchanged at \$18,000/mt Friday.

Deals for fine powder were reported done at Yuan 120,000-123,000/mt DDP China, varying by volume and payment method. An offer was reported at Yuan 124,000/mt DDP China for at least one truckload fine powder. The price difference for fine powder and coarse sand was indicated at around Yuan 3,000-5,000/mt by market sources.

A producer source in the Americas said there had been no significant changes either in hydroxide prices or seaborne carbonate, but “apparently the Chinese domestic carbonate price is moving up slightly.”

For nickel sulphate, two deals for a total of 1,000-2,000 mt were heard done this week at Yuan 25,500/mt DDP China. “Buyers are in wait-and-see mode, as they expect prices to continue sliding,” a Chinese nickel sulphate seller said.

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