

METALS DAILY

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BATTERY METALS

Lithium carbonate price falls further to \$17,250/mt CIF North Asia

Singapore—Continued bearish sentiment in the lithium carbonate market driven by a healthy supply of Australian spodumene and lower than expected demand from electric vehicle manufacturers in China in the first quarter of 2018 pushed the battery-grade lithium carbonate CIF North Asia assessment lower for a second week in a row.

The S&P Global Platts seaborne lithium carbonate CIF North Asia price was assessed \$250/mt lower at \$17,250/mt Friday, which converts to about a Yuan 128,000-130,000/mt DDP China equivalent price, according to import parity calculations.

The spread in DDP equivalent was caused by a 2% import duty on Argentinian material, but no import duty for Australian and Chilean output.

The North Asian import price has shed \$750/mt since the beginning of May and this trend is expected to be reflected in contract prices for the third quarter, which are due to be negotiated in the coming weeks, sources said.

BATTERY METALS

Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	17250.00	-250.00	08-Jun-18

Term contracts, which typically trade below the spot price, were expected to be concluded in a range of \$16,000-\$17,000/mt going forward, one cathode maker said, but he added that “prices had not yet been discussed.”

Spot price buyers and sellers appear to be slightly closer to one another as a buyer saw value at \$17,000/mt while the best value heard by a seller this week was \$17,500/mt, which brought buyers and sellers closer than had been seen for a few weeks and makes it likely that a spot deal may happen next week, sources said.

The long-awaited full implementation of revised government subsidies in China next week is expected to encourage automakers to produce higher standard electric vehicles

with a longer range, while simultaneously decreasing energy consumption.

“Due to the government’s subsidy policy, cathode makers and battery makers are destocking,” said a Shanghai trader.

Sources said it may boost sluggish customer demand for EVs in the second half of 2018.

But market participants say the lithium carbonate price may rebound later in 2018 after the recent decline.

The Chinese domestic lithium market also continued to weaken this week despite Shanghai China Lithium continuing to offer battery-grade lithium carbonate at Yuan 141,000/mt on a DDP basis and indicatively at Yuan 143,000/mt on a FOB basis.

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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

An unconfirmed trade for a minimum clip of 200 mt was heard to have traded in a range of Yuan 120,000/mt to Yuan 125,000/mt, a buyer said.

A Sichuan producer put his battery-grade lithium hydroxide offers at Yuan 150,000/mt DDP China for NCM811 and NCA cathode production.

The producer stopped selling lithium carbonate as the profit margin has shrunk for the product, he said.

Cobalt sulphate trading was thin this week and fundamentals were little changed.

A Jiangxi-based producer kept his indicative offer for 20.5% Co cobalt sulphate above Yuan 120,000/mt, while being aware that “we have feedback from customers saying our offer is higher” than the market rate. He also put the current tradable price at Yuan 115,000-118,000/mt, delivered and duty paid.

A Chinese analyst said a nickel sulphate

plant in Guangxi province shut due to environmental restrictions, which could affect production capacity of 80,000 mt/year. He said the tradable price was Yuan 26,000-26,500/mt.

— [Xinyue Zhang, xinyue.zhang@spglobal.com](mailto:xinyue.zhang@spglobal.com)

— [Henrique Ribeiro, henrique.ribeiro@spglobal.com](mailto:henrique.ribeiro@spglobal.com)

— [Marcel Goldenberg, marcel.goldenberg@spglobal.com](mailto:marcel.goldenberg@spglobal.com)

— [Edited by Jonathan Dart, jonathan.dart@spglobal.com](mailto:jonathan.dart@spglobal.com)