

METALS DAILY

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BATTERY METALS

Lithium market activity dries on approach of Lunar New Year

Singapore – Despite the Lunar New Year beginning on February 4, well over a week away, battery grade lithium trading came to a standstill this week.

The proximity to the Chinese Lunar New Year holiday paralyzed the lithium market in the country this week, while activity on the seaborne market also felt the pressure of the holiday, with only thin trade being observed.

As a result, all four S&P Global Platts battery-grade lithium assessments sat unchanged on the week. Lithium carbonate was assessed at \$12,700/mt on a CIF North Asia basis and Yuan 80,000/mt on a DDP China basis, while lithium hydroxide held at \$15,800/mt CIF North Asia and Yuan 105,000/mt DDP China.

Both grades remained above the import parity in China. In the case of lithium carbonate, \$12,700/mt CIF was equivalent to Yuan 100,590.7/mt, including 16% VAT, based on the Platts import-parity formula. The

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

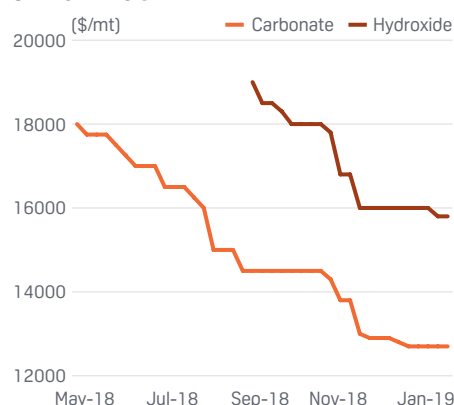
BATTERY METALS

Weekly Prices

		Change	Date assessed
Lithium Carbonate CIF North Asia (\$/mt)	12700	0	25-Jan-19
Lithium Carbonate DDP China (Yuan/mt)	80000	0	25-Jan-19
Lithium Hydroxide CIF North Asia (\$/mt)	15800	0	25-Jan-19
Lithium Hydroxide DDP China (Yuan/mt)	105000	0	25-Jan-19
Cobalt Sulfate CIF North Asia (\$/mt)	12800	0	25-Jan-19

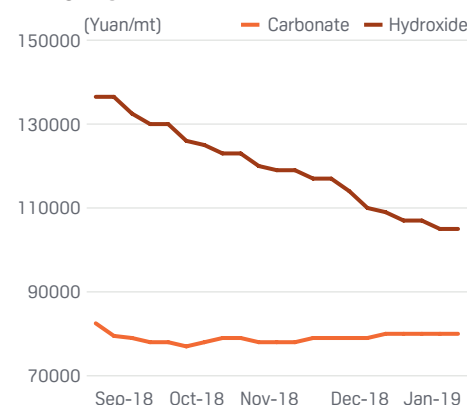
PLATTS LITHIUM CARBONATE AND LITHIUM HYDROXIDE

CIF North Asia



Source: S&P Global Platts

DDP China



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\$15,800/mt lithium hydroxide assessment was equivalent to Yuan 125,022.3/mt on the same basis. The yuan was assessed at 6.7941 to the dollar at 4:30 pm Singapore time Friday.

A Japanese trader said that he saw lithium carbonate delivered into North Asia tradeable at \$12,700/mt, but also conceded that value could be found above this level. The trader saw seaborne lithium hydroxide tradeable at \$15,000-16,000/mt, but suggested that hydroxide prices could fall if spodumene concentrate prices did likewise.

A seller in the Americas however saw prices at higher levels, stating that despite “some resistance” from other suppliers offering lower, they had closed deals in a \$14,000-15,000/mt CIF North Asia range for lithium carbonate as well as lithium hydroxide at \$15,000-16,000/mt on the same basis.

Several Chinese market participants reported stockpiling in the beginning of the month in order to prepare for the holiday, and demand has gradually decreased since, with some players already retired from the market this week.

“Who will buy this week?” asked a Chinese seller, adding that “prices are not important [at this moment since he is] waiting for the coming holiday.”

A Chinese consumer source who plans to leave for the holidays on Tuesday and will not be back until February 18 stated that he is well covered for the month, as such he did not transact any business this week. “Lithium carbonate prices won’t change before the holidays, most producers and end users will stay out of the market,” he said, reporting he still saw Yuan 80,000/mt as a reflective mark.

The much anticipated closure of logistics was realised this week. One mid-tier Chinese producer said that they had already stopped deliveries this week, despite not officially starting the holidays until February 1.

Looking forward, a Japanese trader said that he expected stability in seaborne prices over the coming year, seeing lithium carbonate pricing in the range \$12,000-13,000/mt for 2019, and with lithium hydroxide continuing to sit at a premium of \$2,000-3,000/mt. The trader also stated that he anticipated lithium hydroxide

demand to grow, citing both the increased production of NCA batteries and the growing number of consumers who are able to use lithium hydroxide in the production of NMC622 & 523 batteries.

Market talk also turned to lithium spodumene concentrate this week. A trader suggested that a major Australian supplier had finalized contract pricing for 2019 with their Chinese counterpart in the range \$600-700/mt CIF China. The trader felt that most other 2019 contracts would also finalize in this range. Other market chatter leant more clarity, suggesting that the contract was settled at min. \$680/mt FOB Australia. In the spot market, the trader saw indicative bids and offers for spodumene concentrate with a minimum 6% lithium oxide content at \$620-630/mt levels and \$660-670/mt, respectively.

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Cobalt sulfate price steady as market activity dulls

Cobalt sulfate delivered into North Asia saw steady prices this week as the market slowed ahead of the Lunar New Year.

S&P Global Platts assessed cobalt sulfate with 20.5% cobalt content unchanged at \$12,800/mt CIF North Asia Thursday.

The imminent Lunar New Year holidays saw stagnancy hit both seaborne North Asian and Chinese domestic markets this week, grinding trading to a halt.

Most market participants are expected to be absent over the the Lunar New Year celebrations and several had already stepped back this week in anticipation of this.

A large producer considered seaborne prices to continue to be tradeable at \$12,800/mt. The producer noted additionally that for material delivered into China prices would see little change in the coming weeks, as the anticipated closure of customs would

prevent clearance procedures occurring on imported material.

A producer felt that tradeable value in the Chinese domestic market continued to be found at Yuan 71,000-72,000/mt this week, but considered their material to be above market value due to higher raw material pricing. While a Chinese consumer saw domestic prices tradeable at Yuan 68,500/mt.

The heavily anticipated slowdown will see logistics stop this week, a producer said, with market talk indicating that January 25 could be the final day for logistics. It is not just transportation that will close but all supporting departments, the producer added.

With the loss of supporting faculties, some cobalt sulfate producers are using the holiday to undertake maintenance. Other suppliers, however, plan to run over the period in anticipation of demand to come at the end of the holidays.

The supply/demand balance in the new year is unsurprisingly a contested topic, with a consumer stating that they expected sulfate supply to rise after the holiday causing prices to dampen.

From a consumer perspective, the closure of logistics through the holiday period is not expected to affect consumption, as many consumers are set to continue producing having amassed stockpiles of battery materials in advance, with one consumer stating it had ample supplies for February.

The recent depreciation in electrolytic cobalt prices was expected by some to dampen market sentiment, a Chinese producer, however, felt that the sparse trading seen ahead of the holiday period would limit the impact on sulfate prices.

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