

METALS DAILY

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BATTERY METALS

Lithium carbonate prices drop further on low buying interest in China

Singapore—Low buying interest from Chinese cathode makers, sufficient supply in the domestic market, and relatively steady demand were the main factors pressuring the seaborne lithium carbonate market this week, source said.

S&P Global Platts assessed 99.5% battery-grade lithium carbonate down \$250/mt at \$17,000/mt CIF North on Thursday. There is a public holiday in Singapore on Friday, June 15.

A Chinese cathode maker who had plenty of inventories said “even \$17,000/mt would be too expensive” on a CIF basis. The domestic market was trading at “slightly above Yuan 120,000/mt” on a DDP basis, he said, adding demand was lackluster.

Platts calculated the \$17,000/mt CIF North Asia assessment equivalent to Yuan 126,133/mt before port handling fees and inland transportation, VAT included, based on a dollar exchange rate of Yuan 6.3962

However a producer in the Americas said last week’s assessment of \$17,250/mt

BATTERY METALS

Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	17000.00	-250.00	14-Jun-18

“looked reasonable” and that despite customers’ requests to lower prices, “I do not believe this is materializing, at least not in our case yet”.

An Asian trader agreed and also said that prices for second-half contracts won’t be trimmed as “there is not an oversupply. There is not much availability of good spodumene in China.”

This week, the full enforcement of 2018 electric vehicles subsidies policy in China, which will discourage the commercialization of electrified cars with a low driving range, created some uncertainty among automakers.

The new subsidies policy was expected to reduce demand for lithium-iron-phosphate (LFP) cathodes and came at a

time that a boost in production of nickel-cobalt-manganese (NCM) cathodes was still limited – that was impacting interest for lithium carbonate overall, said a second Chinese cathode maker, who was bearish on domestic prices.

He said \$17,000/mt CIF was the highest acceptable price and had heard about offers from one major domestic producer around Yuan 130,000-135,000/mt.

In addition to the reduced demand, “supply is relatively good,” the source said.

A third Chinese consumer said he bought at Yuan 122,000/mt on a DDP basis for over 100 mt, adding that supply was the key to the lingering bearishness.

A Jiangxi-based producer reported a

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deal at Yuan 126,000-128,000/mt for a clip of 7.5 mt of lithium carbonate produced from lepidolites.

Spodumene prices were also heard this week with an Australian seller putting the contract price for 6% Spodumene at \$960/mt on a CIF China basis.

In other battery metals, 22.3% battery-grade nickel sulphate rallied Yuan 500/mt to Yuan 27,000-27,500/mt DDP China, as LME nickel remained high and some factories

shut down or switched production lines.

While local market participants were worried about potential supply tightness, an importer disagreed, saying: "Given LME nickel rose from \$13,000/mt to \$15,000/mt, DDP nickel sulphate price did not change much [over the period]" as local nickel supply was still sufficient.

He put nickel sulphate offer at around \$4,200-\$4,300/mt CIF China for a minimum of one container load.

Tradeable levels were heard stable at Yuan 115,000/mt for 20.5% cobalt sulphate and Yuan 118,000/mt for 21% cobalt sulphate, as fundamentals did not change much, regardless of the dip in cobalt cathode price.

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