

# METALS DAILY

REPRINT: Volume 7 / Issue 127 / June 29, 2018

## BATTERY METALS

### Seaborne lithium carbonate steady despite pressure on Chinese domestic prices

*Singapore*—Thin spot activity kept seaborne lithium carbonate prices unchanged this week, despite the persistent downtrend in Chinese domestic prices.

S&P Global Platts assessed battery grade lithium carbonate flat on the week at \$17,000/mt CIF North Asia Friday. Platts specifications consider ports in China, Japan and South Korea.

The assessment was equivalent to around Yuan 133,088/mt DDP China and Yuan 114,732/mt VAT not included, based on Platts' import parity formula. The dollar/yuan exchange rate was settled at 6.6166 Friday.

A producer in the Americas who sees prices slightly higher in Japan and Korea than in China -- "but not too much" -- said they were targeting sales at \$17,250/mt on a CIF basis.

On the other hand, a Japanese trader would ink term contracts at \$17,000/mt CIF Japan, but doubted that this value would work for the spot market "because Chinese domestic spot prices are going down."

## BATTERY METALS

### Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	17000.00	0.00	29-Jun-18

### Monthly Prices

Lithium Carbonate CIF North Asia (\$/mt)	17150.00	-663.00	29-Jun-18
--	----------	---------	-----------

"DDP China prices are dropping every single day," said a Chinese cathode maker. He put fair value at Yuan 115,000/mt, but hadn't bought anything on the spot market this week. "Maybe the Yuan 100,000/mt level will come faster [than expected]," he added.

A Chinese producer offered at Yuan 125,000/mt for a minimum of 10 mt, Yuan 128,000-130,000/mt for below 10 mt and Yuan 122,000-123,000/mt for large orders of 100 mt and above.

He also had closed "some deals last week [but] at lower prices," with minimum 50 mt and above parcels traded at Yuan 120,000/mt.

The summer lull is adding sluggishness to the market, he said, with manufacturers

usually stopping for maintenance at this time of the year. "We will do the same in July," he said.

"The entire third quarter is the slack season," said a second Chinese cathode maker who traded some 200-300 mt recently at Yuan 117,000-118,000/mt. "Producers offer more than Yuan 120,000/mt, but the actual trade is definitely lower than this," he said, estimating the tradeable value within a Yuan 115,000-120,000/mt range.

In addition to the slow market activity, the import market is also being affected by the trade war between China and the US, said the first cathode maker source.

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

## METALS DAILY

Volume 7 / Issue 127 / June 29, 2018

ISSN: 2325-0658

The names "S&P Global Platts" and "Platts" and the S&P Global Platts logo are trademarks of S&P Global Inc. Permission for any commercial use of the S&P Global Platts logo must be granted in writing by S&P Global Inc.

You may view or otherwise use the information, prices, indices, assessments and other related information, graphs, tables and images ("Data") in this publication only for your personal use or, if you or your company has a license for the Data from S&P Global Platts and you are an authorized user, for your company's internal business use only. You may not publish, reproduce, extract, distribute, retransmit, resell, create any derivative work from and/or otherwise provide access to the Data or any portion thereof to any person (either within or outside your company, including as part of or via any internal electronic system or intranet), firm or entity, including any subsidiary, parent,

or other entity that is affiliated with your company, without S&P Global Platts' prior written consent or as otherwise authorized under license from S&P Global Platts. Any use or distribution of the Data beyond the express uses authorized in this paragraph above is subject to the payment of additional fees to S&P Global Platts.

S&P Global Platts, its affiliates and all of their third-party licensors disclaim any and all warranties, express or implied, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use as to the Data, or the results obtained by its use or as to the performance thereof. Data in this publication includes independent and verifiable data collected from actual market participants. Any user of the Data should not rely on any information and/or assessment contained therein in making any investment, trading, risk management or other

decision. S&P Global Platts, its affiliates and their third-party licensors do not guarantee the adequacy, accuracy, timeliness and/or completeness of the Data or any component thereof or any communications (whether written, oral, electronic or in other format), and shall not be subject to any damages or liability, including but not limited to any indirect, special, incidental, punitive or consequential damages (including but not limited to, loss of profits, trading losses and loss of goodwill).

ICE index data and NYMEX futures data used herein are provided under S&P Global Platts' commercial licensing agreements with ICE and with NYMEX. You acknowledge that the ICE index data and NYMEX futures data herein are confidential and are proprietary trade secrets and data of ICE and NYMEX or its licensors/suppliers, and you shall use best efforts to prevent the unauthorized publication, disclosure or copying

of the ICE index data and/or NYMEX futures data.

Permission is granted for those registered with the Copyright Clearance Center (CCC) to copy material herein for internal reference or personal use only, provided that appropriate payment is made to the CCC, 222 Rosewood Drive, Danvers, MA 01923, phone +1-978-750-8400. Reproduction in any other form, or for any other purpose, is forbidden without the express prior permission of S&P Global Inc. For article reprints contact: The YGS Group, phone +1-717-505-9701 x105 (800-501-9571 from the U.S.).

For all other queries or requests pursuant to this notice, please contact S&P Global Inc. via email at support@platts.com. *Platts Metals Daily* is published daily by Platts, a division of S&P Global, registered office: Two Penn Plaza, 25th Floor, New York, N.Y. 10121-2298

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

No one is willing to buy seaborne lithium carbonate at the moment because inspection and quarantine times at Chinese customs have been lengthened due to the US-China tensions, he said, adding that he had heard of one company with material under annual contract still yet to clear customs after 20 days.

However, other sources were uncertain about the effects from escalating trade tensions and prolonged quarantines on seaborne lithium carbonate. A global producer source commented: "From my perspective, there are not many changes to the fundamentals."

Meanwhile, 6% Li battery-grade spodumene prices were heard around Yuan

8,000/mt, VAT inclusive, for both domestic and Australian supplies. The price is equivalent to \$1,209/mt (VAT inclusive) and \$1,042/mt (VAT exclusive).

As for 22.3% Ni battery-grade nickel sulphate, a Jiangsu-based trader sold one truck load to customers at Yuan 26,500/mt on a DDP basis, putting tradeable price at around Yuan 27,000/mt depending on the customer.

Supply concerns over more stringent environmental inspections still lingered in the market while demand remained stable. Maintenance and production cuts were cited as "normal" in summer and the impact should be marginal, the trader said.

"Supply-demand fundamentals are still healthy," a producer based in northeast China said.

He does not expect any impact from supply tightness at nickel sulfate factories in the south of the country as major producers Jinchuan, Ji'en and GEM all plan to increase capacity.

The monthly average for June came in at \$17,150/mt which was down \$663/mt compared to May.

— [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)