

METALS DAILY

REPRINT: Volume 7 / Issue 167 / August 24, 2018

BATTERY METALS

Seaborne lithium carbonate market slumbers; China price dips further

Singapore—The S&P Global Platts battery grade lithium carbonate CIF North Asia price assessment remained steady on the week at \$15,000/mt Friday in the absence of seaborne trades, while Chinese domestic trades softened.

Based on Platts import parity formula, the assessment was equivalent to Yuan 121,946/mt DDP China (16% VAT included), or Yuan 105,126/mt including port handling fees but without value added tax, reflecting buying and selling indications for cargoes delivered in the main ports of China, Japan and South Korea.

The dollar/yuan exchange rate was assessed at Yuan 6.871 at 4:30 pm Singapore time Friday.

A Japanese trader put his ideas at \$15,000-\$16,000/mt for battery grade lithium carbonate prices outside of China on a CIF basis. He said prices were generally stable in South Korea, Europe and US, whereas his offer to Chinese customers for Q3 term contracts was in the \$14,000-

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Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	15000.00	0.00	24-Aug-18

\$15,000/mt CIF China range.

The trader indicated that if prices keep declining in China, he would have to lower his Q4 contract offers, with some difficulties, to \$13,000/mt.

A producer in the Americas agreed that there was some down pressure, "but only in China." In other North Asian countries he saw the tradeable value at \$16,000-\$16,500/mt.

A consumer in the Americas expected lithium carbonate term contract pricing to decrease next year, influenced by the plunging Chinese prices. However, he expected hydroxide prices to remain stable because only a few suppliers are able to offer battery grade hydroxide.

Lithium hydroxide is currently trading at around \$17,000-\$20,000/mt CIF North

America and Europe, he added.

"In China they should be higher, but the carbonate is pressuring the hydroxide, so right now I think the [hydroxide] price in China is the same we have here," he said.

The Japanese trader also put battery grade lithium hydroxide tradeable at \$17,000-20,000/mt across the globe.

For carbonate, he said \$15,000/mt CIF North Asia was currently reflective but that the price in China could fall to as low as \$12,000/mt CIF.

Zooming into China, weak fundamentals continued amid lackluster demand and excess supply of lithium carbonate.

Several lithium carbonate consumers and suppliers pegged mainstream tradeable

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Volume 7 / Issue 167 / August 24, 2018

ISSN: 2325-0658

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value at Yuan 85,000/mt, with a wide range for bids and offers.

A Chinese cathode maker could not afford to buy at Yuan 88,000/mt this week, as compared to his purchase of two truckloads at close to Yuan 90,000/mt last week.

A second cathode maker received offers from Tier 2 producers at Yuan 88,000-90,000/mt and Tier 3 producers at Yuan 80,000/mt, but he did not make any spot purchases due to high inventory level at the plant that could last till October.

"Offers from Tier 1 producers are usually Yuan 5,000-8,000/mt higher than others. But bargaining space is roughly Yuan 5,000/mt," he said.

A producer in east China sold two truckloads at Yuan 85,000/mt for both cash and letter of credit payment to existing customers. He also said the overall trend is pointing down, even from a producer's perspective.

A third cathode maker agreed and said the lowest number at Yuan 80,000/mt from small-sized producers was due to fear of competition in a softening market.

High-quality battery grade lithium hydroxide was tradeable within a Yuan 120,000-130,000/mt range on slightly tight supply, said the second cathode maker, who also saw manganese sulfate prices stabilizing at Yuan 6,600-6,700/mt for a few months.

As for nickel sulfate, battery-grade materials were offered Yuan 26,000/mt for a minimum of one truckload by a Jiangsu-based trader. The lowest price he could accept was Yuan 25,500/mt on credit terms payment and Yuan 25,000/mt on cash payment.

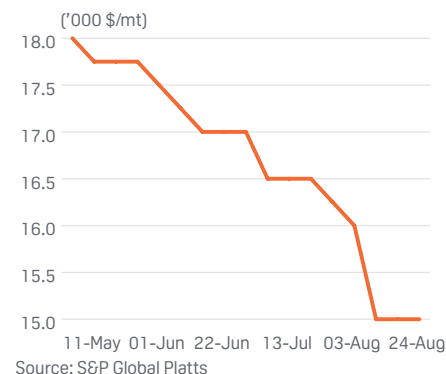
"Trades were sparse. Price softened driven by weak demand," he said.

A Shanghai-based trader said he holds a bearish view on recent subdued nickel prices. LME nickel cash settlement was closed at \$13,140/mt on August 23.

Tradeable levels for cobalt sulfate (20.5% cobalt content) were heard Yuan 95,000-96,000/mt from producers and Yuan 92,000-94,000/mt from consumers.

A producer in central southern China saw indicative offer from another producer

PLATTS LITHIUM CARBONATE CIF NORTH ASIA



last week at Yuan 105,000/mt "too high", and put his indicative offer at Yuan 97,000/mt for a minimum of one truckload.

Platts assessed 99.8% cobalt cathode DDP Europe and DDP US both at \$32-33/lb on August 23.

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