

# METALS DAILY

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## BATTERY METALS

### Lithium hydroxide prices drop as demand slows

*Singapore* – Sluggish demand weighed on delivered North Asia seaborne lithium hydroxide prices, which fell \$200/mt on the week, ending a run of stable prices since November.

S&P Global Platts assessed lithium hydroxide at \$15,800/mt CIF North Asia Friday.

Weak demand pushed indicative offers lower, with values as low as \$15,000/mt heard from two Chinese producers and a South Korean consumer. Other indicative offers were heard at \$16,000/mt from two further Chinese producers, while a bid indication from a South Korean consumer was heard below \$14,000/mt for January delivery.

The drop in price resumes the downward trend seen from September to November. Prices have fallen \$3,200/mt since early September, and several market participants expect hydroxide prices to keep falling further toward carbonate prices.

The drop in hydroxide prices “is due to changes in the supply side, with more

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

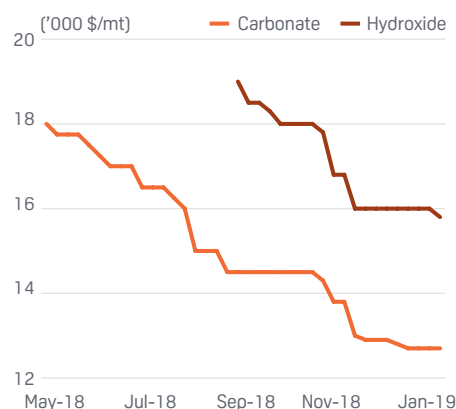
## BATTERY METALS

### Weekly Prices

		Change	Date assessed
Lithium Carbonate CIF North Asia (\$/mt)	12700	0	18-Jan-19
Lithium Carbonate DDP China (Yuan/mt)	80000	0	18-Jan-19
Lithium Hydroxide CIF North Asia (\$/mt)	15800	-200	18-Jan-19
Lithium Hydroxide DDP China (Yuan/mt)	105000	-2000	18-Jan-19
Cobalt Sulfate CIF North Asia (\$/mt)	12800	-100	18-Jan-19

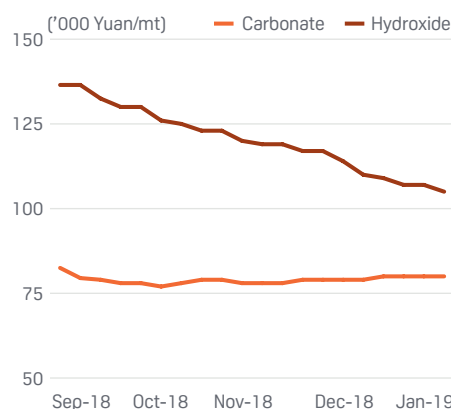
### PLATTS LITHIUM CARBONATE AND LITHIUM HYDROXIDE:

#### CIF NORTH ASIA



Source: S&P Global Platts

#### DDP CHINA



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carbonate being converted into hydroxide,” said a European consumer.

The new balance level for the spread “will depend on how much conversion capacity will be added. I would expect the spread to stabilize at \$2,000/mt,” he said, saying that hydroxide prices still have room to fall. He said he would expect seaborne hydroxide to trade at \$15,000-\$16,000/mt on a CIF basis, depending on the destination.

Lithium carbonate prices CIF North Asia were stable for the fourth consecutive week at \$12,700/mt. Trading died down ahead of the forthcoming Lunar New Year holidays.

Demand for lithium carbonate delivered to Japan, South Korea and China has been strong, an Australian producer said. Chinese companies could destock in the holiday period, he added.

Lithium carbonate trading indications were unchanged from both buyers and sellers, with several Chinese producers reporting indicative offers at \$13,000/mt, while a South Korean consumer reported bidding indications at the same level.

Both grades remained above the import parity in China. In the case of lithium carbonate, \$12,700/mt CIF was equivalent to

Yuan 100,234/mt, including 16% VAT, based on the Platts import parity formula. Lithium hydroxide was equivalent to Yuan 124,579/mt on the same basis. The yuan was assessed at 6.7899 to the dollar at 4:30 pm Singapore time Friday.

It was a similar story in the Chinese domestic market, where lithium hydroxide fell and carbonate was steady. Platts assessed lithium hydroxide at Yuan 105,000/mt DDP China down Yuan 2,000 on the week, while lithium carbonate was assessed unchanged at Yuan 80,000/mt DDP China.

Chinese domestic lithium hydroxide has also been under pressure since September. Lower hydroxide prices could bring the carbonate-hydroxide spread down to levels seen last year before China announced a change in electric vehicle subsidies. The announcement pushed up hydroxide prices and depressed carbonate prices. The government is expected to announce a further change in the policy in the first quarter this year.

Lithium hydroxide was heard tradeable at Yuan 105,000/mt by a producer and a consumer, while another buyer saw values higher at Yuan 108,000/mt.

The market was slow, particularly for lithium carbonate, with few price indications. However, carbonate prices could fall after the Lunar New Year holiday in early February “as demand will not increase significantly, while supply is going up,” a Chinese consumer, who paid Yuan 82,000/mt at net-90 payment terms, said.

“Lithium carbonate prices might not change much in January and February as demand would remain relatively stable at the time when some producers might carry out maintenance,” a second Chinese seller said. He viewed the tradeable value unchanged at Yuan 80,000/mt.

Some producers have sold out, with buyers building stocks ahead of the Lunar New Year. A fully booked Chinese producer saw lithium carbonate prices unchanged at Yuan 80,000/mt in the current market.

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## Seaborne cobalt sulfate prices fall despite continued pre-Lunar New Year stockpiling

Cobalt sulfate delivered into North Asia fell \$500/mt this week, as a producer was heard fielding lower offers, despite ongoing domestic Chinese restocking ahead of Lunar New Year.

S&P Global Platts assessed cobalt sulfate with 20.5% cobalt content at \$12,900/mt CIF North Asia Thursday.

A major producer was heard offering at \$13,000/mt, and the producer also suggested that deals could be done slightly below this level. Offers in the range \$13,500-\$14,000/mt were viewed as unrealistic by the producer.

Cobalt sulfate with 21% cobalt content continued to be valued above material with 20.5% cobalt. The higher cobalt content material was heard to be tradeable at \$14,000/mt for delivery into Japan or South Korea by a China-based producer.

The Chinese producer conceded prices in the region of \$13,500/mt could potentially be found if peers offered lower, a scenario the producer felt feasible given the current disparity between domestic and export prices.

Despite the falling price, consumer stockpiling ahead of Lunar New Year celebrations in China is keeping producers optimistic. On top of that, there are expectations of prices rising after the holiday period also.

In the Chinese domestic market, prices continued to rebound this week as several consumers committed to continuing production through the Lunar New Year holidays.

Buying activity is expected to remain strong until late January, with one market participant saying January 25 would be the last available date for delivery.

A Chinese trader said he expected the strong demand would continue after Lunar New Year, adding he anticipated seeing domestic prices gain as a result.

Cobalt sulfate was heard traded at Yuan 71,000-72,000 (\$10,459-\$10,606)/mt DDP by a Chinese producer, while 21% cobalt content material was heard traded at Yuan 74,000/mt by another supplier.

One producer, however, considered Yuan 74,000/mt for 21% cobalt content material to be too high, and saw the tradable value at Yuan 68,000-70,000/mt.

The producer said that most consumers had secured their pre-Lunar New Year supplies already. “Those who want to buy now might need to pay more.”

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