

METALS DAILY

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BATTERY METALS

Seaborne lithium carbonate prices slip; stockpiling lifts DDP China

Singapore – Seaborne lithium carbonate prices slipped \$100/mt on the week as tradeable values dropped.

Lithium carbonate fell \$100/mt for the second consecutive week to be assessed at \$12,700/mt CIF North Asia.

Market activity was even more Asia focused this week as Western participants proved absent due to Christmas festivities. Despite this a producer based in the Americas sold at \$14,000/mt CIF China, but expected Chinese consumers to progressively reduce their appetite for seaborne supply next year due to the greater attractiveness of domestic offers.

A further trade was heard done at \$10,800/mt and offers were seen in the range or \$15,500-\$15,750/mt by a South American producer. Despite this, tradeable values for lithium carbonate continued to be heard in the range \$11,000-\$13,000/mt. With the New Year imminent, market participants took a forward looking

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

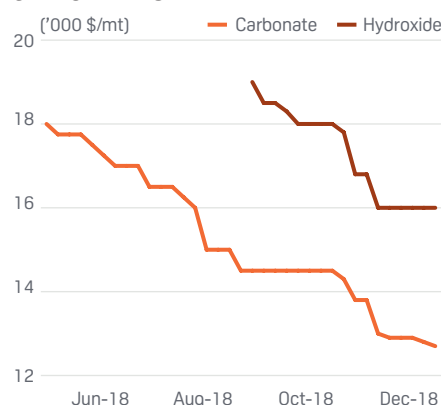
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Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	12700	-100	28-Dec-18
Lithium Carbonate DDP China (Yuan/mt)	80000	+1000	28-Dec-18
Lithium Hydroxide CIF North Asia (\$/mt)	16000	0	28-Dec-18
Lithium Hydroxide DDP China (Yuan/mt)	109000	-1000	28-Dec-18

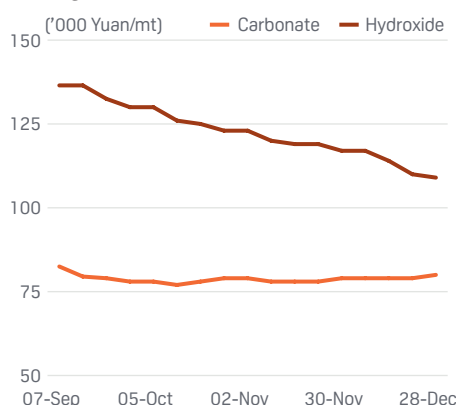
PLATTS LITHIUM CARBONATE AND LITHIUM HYDROXIDE:

CIF NORTH ASIA



Source: S&P Global Platts

DDP CHINA



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approach, with one trader commenting that spot and contract prices for lithium carbonate were moving toward parity, adding that they felt that contracts for 2019 for which negotiations are ongoing were going to be lower.

A South American producer said they planned to increase shipments to Japan and South Korea instead of China next year, both for lithium carbonate and hydroxide. The latter “is still tight in those two countries, even with Chinese sellers exporting more hydroxide cheaper than us,” said the producer, who reported selling at \$17,000/mt CIF both in Japan and South Korea.

Lithium hydroxide delivered into North Asia sat unchanged for the sixth consecutive week at \$16,000/mt. Platts captured two trades, both at \$17,000/mt for December loading, and heard an offer for January loading material at \$18,000/mt. Tradeable values however continued to be heard in the range of \$16,000-16,500/mt by both producers and traders.

The seaborne prices of both grades are still above import parity in China: in the case of lithium carbonate, \$12,700/mt CIF was equivalent to Yuan 101,608.7/mt, including 16% VAT, based on the Platts import-parity formula. The \$16,000/mt lithium hydroxide

assessment was equivalent to Yuan 127,881/mt on the same basis. The yuan was assessed at 6.8632 to the dollar at 4:30 pm Singapore time Friday.

Chinese domestic lithium carbonate and lithium hydroxide prices moved in opposite directions this week, with carbonate gaining as hydroxide fell.

Lithium carbonate experienced an uptick of Yuan 1,000/mt to be assessed at Yuan 80,000/mt DDP China. The gain came as consumers were heard stockpiling material ahead of the Chinese New Year. One consumer said that inventory building was putting a strain on the lithium carbonate supply available.

The present drive to buy has also been increased by logistical considerations ahead of the Chinese New Year, with one producer commenting that logistics would close up to 10 days in advance of the celebrations, therefore consumers were looking to ensure they had the requisite volumes secured by the third week of January. “Consumers would like to prepare some inventories because now it’s only about 20 days left before the closure of logistics and this will be even earlier for trucks from/to remote areas,” the producer said.

Domestic lithium hydroxide prices continued to wane this week, as the expectation of price convergence with carbonate remained a talking point. Lithium hydroxide fell Yuan 1,000/mt to be assessed at Yuan 109,000/mt DDP China, the third consecutive week that the price has dropped.

Platts captured three trades, two at Yuan 110,000/mt and one at Yuan 115,000/mt all for December delivery. However, three producers reported tradeable values to be lower, in the range Yuan 108,000-110,000/mt.

Lithium hydroxide fine powder for NMC 622 (nickel-manganese-cobalt in a 6:2:2 proportion), was heard to be decreasing in price while lithium hydroxide for NMC 811 remained stable, widening the spread to better reflect the additional processing required to reach the higher standard, a producer said.

Cobalt sulfate was heard stable at Yuan 65,000/mt by a Chinese consumer, who expected little market fluctuation in the coming weeks due to the Chinese New Year.

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