

# METALS DAILY

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## BATTERY METALS

### Seaborne lithium hydroxide falls, Chinese prices hold during holiday

*Singapore*—Lower indications pulled down seaborne lithium hydroxide prices this week, despite the thin trade caused by the Chinese Golden Week holiday

S&P Global Platts assessed battery grade lithium hydroxide at \$18,000/mt CIF North Asia, reflecting deliveries at the main ports in Japan, South Korea and China

Although the seaborne hydroxide market is highly focused on term contracts, with little spot liquidity, market participants said prices are currently pointing down, especially in the negotiations on 2019 contracts. The spot market is subdued, under pressure from China and the widening spread between the two products

Seaborne lithium carbonate, on the other hand, remained flat this week at \$14,500/mt CIF North Asia, the same level from the past five weeks. However, sources say they expect it to resume its fall soon

There is “weak demand [for carbonate] caused by slow production activity on the buyers’ side,” an Asian trader said, adding

## BATTERY METALS

### Weekly Prices

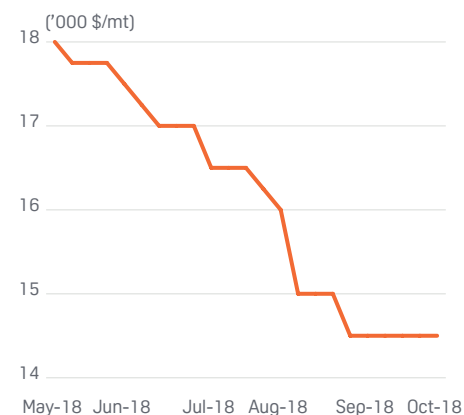
		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	14500	0	5-Oct-18
Lithium Carbonate DDP China (Yuan/mt)	78000	0	5-Oct-18
Lithium Hydroxide CIF North Asia (\$/mt)	18000	-300	5-Oct-18
Lithium Hydroxide DDP China (Yuan/mt)	130000	0	5-Oct-18

he would offer carbonate at \$17,000/mt CIF, “but buyers don’t want to buy anything...the highest buyers would accept would be \$15,000/mt.” Moreover, consumers “are moving towards using more hydroxide rather than carbonate,” which will eventually force the demand for carbonate down,” leading to price reductions

“Buyers think prices will continue the downward trend, but we will need to watch out for Chinese domestic market after the holiday,” another Asian trader said, adding that no deals had been concluded this week as he was still negotiating with buyers. Japanese buyers were bidding battery

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### PLATTS LITHIUM CARBONATE CIF NORTH ASIA



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grade lithium carbonate at \$13,000-\$14,000/mt CIF Japan, while Chinese buyers bid indicatively at \$9,000-\$10,000/mt CIF China, he said

A consumer source in the Americas said that “even suppliers already said that they expect a price reduction for 2019 -- we just have to see what kind of reduction.” He expects next year’s term contracts to hover around \$14,000 /mt for carbonate and \$17,000/mt for hydroxide, with the spread between the two products eventually narrowing to as low as \$2,000/mt

“Europe and the US will probably be at similar levels than those for Japan and [South] Korea [next year],” the source added, underscoring that “China will keep different than the rest of the world, but their prices will keep falling.” A South Korean consumer said he would bid at \$16,000/mt CIF for hydroxide for their

production use of 3,000-5,000 mt next year, although he believed that the tradable value could be \$18,000/mt in the spot market, on average. He saw Chinese domestic prices under pressure, pegging the domestic tradable price at Yuan 130,000/mt. The widening spread between hydroxide and carbonate dragged down hydroxide to some extent, he added

A second South Korean consumer also agreed on the \$18,000/mt tradable price for spot seaborne hydroxide, though they paid \$19,000/mt for this year’s contract with producers

“In the long term, the Chinese domestic and export prices should converge,” he said, citing recent conversations with Chinese lithium producers

A producer based in the Americas didn’t see any significant changes in the market since “nothing is being traded this week due

to the Chinese holiday.” China is closed for National Day holidays from October 1 to October 7. Platts DDP China domestic assessments remained flat this week, at Yuan 78,000 /mt for lithium carbonate and Yuan 130,000/mt for lithium hydroxide

The \$14,500/mt CIF mark was equivalent to Yuan 115,708/mt DDP China (including 16% value-added tax), or Yuan 101,743/mt including port handling fees but excluding VAT, based on Platts import-parity formula. This means imports are still unattractive to Chinese consumers, strengthening the bearish impulse for seaborne carbonate prices in the near future

The yuan was assessed at 6.8792 to the dollar at 4:30 pm Singapore time Friday.

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