

METALS DAILY

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BATTERY METALS

Lithium carbonate falls further in China; seaborne market still unaffected

Singapore—Platts Lithium Carbonate DDP China assessment fell Yuan 3,000/mt (\$439/mt) this week to Yuan 79,500/mt as sellers reduced their offers once again.

“The downtrend is very obvious; you could buy at Yuan 82,000/mt last Wednesday, and then at 80,000/mt on Friday,” said a Chinese consumer. Offer levels for Chinese domestic lithium carbonate weakened week on week to around Yuan 80,000/mt DDP.

However, falling Chinese domestic prices still did not reverberate in the seaborne market, which remained quiet this week. S&P Global Platts assessed battery grade lithium carbonate CIF North Asia unchanged at \$14,500/mt based on the absence of spot trades. The price is reflective of deliveries in the main ports of China, Japan and South Korea.

The \$14,500/mt CIF mark was equivalent to Yuan 114,985/mt DDP China (16% VAT included), or Yuan 101,107/mt including port handling fees but without VAT

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Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	14500.00	0.00	14-Sep-18
Lithium Carbonate DDP China (Yuan/mt)	79500.00	-3000.00	14-Sep-18
Lithium Hydroxide CIF North Asia (\$/mt)	18500.00	-500.00	14-Sep-18
Lithium Hydroxide DDP China (Yuan/mt)	136500.00	0.00	14-Sep-18

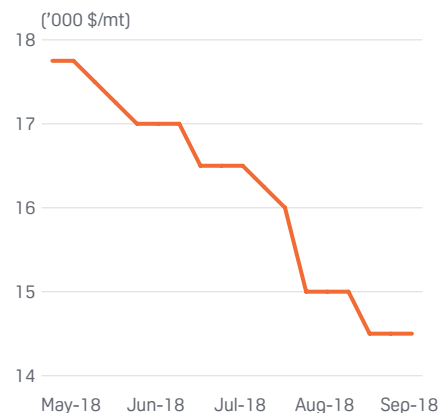
based on Platts import parity formula. The dollar/yuan exchange rate closed at Yuan 6.8362 at 4:30 pm Singapore time Friday.

“Everybody in China thinks that we already reached the bottom,” said a source from a producer in the Americas, describing Platts current \$14,500/mt CIF North Asia mark as “reasonable.”

“Global demand is good; Japan and South Korea are tight of supply,” a second Chinese seller said, adding that they would not expect to trade the carbonate below \$15,000/mt CIF China, and that in Japan and South Korea prices could reach as high as \$17,000-\$18,000/mt CIF.

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PLATTS LITHIUM CARBONATE CIF NORTH ASIA



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For lithium hydroxide, the tradeable level was pegged at Yuan 136,000-137,000/mt on a DDP China basis, according to the Chinese consumer source.

"Nobody is happy about the [carbonate seaborne] price," said an Asian trader who had only some negotiations for spodumene concentrate contracts at \$880/mt. He said \$800/mt could also be possible, but that "would be the bottom line." he put the tradeable value of hydroxide at \$18,000/mt CIF Japan, or as high as \$20,000/mt CIF South Korea. He also said he expects carbonate to fall to as low as \$11,000-\$12,000/mt on a CIF basis, which would be a "psychological bottom line."

The hydroxide market "is tight globally," said a Chinese seller, adding that

no significant price decreases for the product would happen before 2020. "Major producers are expanding their lithium hydroxide production [but] demand will also increase over the same period," the source said, citing Yuan 136,500/mt DDP China and \$19,000-20,000/mt CIF Japan/South Korea as tradeable.

Platts assessed battery grade lithium hydroxide at Yuan 136,500/mt DDP China, unchanged week on week, and \$18,500/mt CIF North Asia, down \$500/mt.

Market fundamentals for lithium hydroxide remained stable this week.

The cobalt sulphate price has been stable for a while, tradeable at about Yuan 88,000/mt DDP China for 20.5% cobalt grade. A Shanghai-trader said major

producers offered Yuan 92,000/mt for 21% cobalt grade. A producer in Jiangxi province agreed that little had changed and put his offer at Yuan 90,000/mt for 20.5% cobalt grade.

A major nickel sulphate producer sold at Yuan 265,000/mt on a delivered basis to adjacent provinces. He said he would add about Yuan 500/mt for truck costs to farther places. Other producers would sell Yuan 200-300/mt lower, one trader said.

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