

# METALS DAILY

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## BATTERY METALS

### Lithium carbonate price shifts lower in weakening market

*Singapore*—Seaborne lithium carbonate prices continued downward movements this week as S&P Global Platts assessed 99.5% battery-grade lithium carbonate at \$16,500/mt CIF North Asia Friday, which dropped 8.3% from the first assessment at \$18,000/mt on May 4.

The specifications include the main ports of Japan, South Korea and China. The assessment was equivalent to Yuan 129,506/mt DDP China and Yuan 111,643/mt, port handling fees included but VAT not included, based on Platts import parity formula. The dollar/yuan exchange rate was settled at 6.6336 Friday.

The lack of clarity prevailed as the full bid-offer reported range was at \$11,000-20,000/mt, but the assessment reflected lower selling and buying ideas heard in the market globally this week.

A producer in the Americas saw the market for China, “prices would be at some \$15,000/mt and pointing downwards”. Excluding China in Asia, “a slight drop to

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### Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	16500 .00	-500.00	6-Jul-18

\$16,500-17,000/mt” for Japan and South Korea could be feasible, while prices were flat in the rest of the world.

A second producer in Asia who “doesn’t have any [spot] volume to sell” would offer “close to \$18,000/mt CIF on average,” he said. Depending on the customer, the gap could be as wide as \$16,000-20,000/mt, he said, adding that the quality is also an important driver.

However, a cathode maker in Northern China would indicatively bid at only \$11,000/mt CIF on spot cargoes. “There’s still enough supply from domestic producers,” he said, also pointing to the weakening Chinese Yuan against US Dollar as a factor to prioritize the domestic supply instead of imports.

Most market participants were focused on renegotiating term contracts for third

quarter or second half of this year.

Discussions have been going on for some time, but “very hard to settle a price, especially with Chinese customers”, according to a trader who nailed some contract prices at slightly above \$17,000/mt.

“Our contract negotiations are stalled [with international producers], they are keeping their second half offers flat at \$16,000-17,000/mt CIF, which is not reasonable,” said the consumer, who is “not on a hurry to buy from overseas” as he could buy spot lads at prices ranging below Yuan 110,000/mt from local producers, who offered around Yuan 112,000/mt.

He mentioned offer from one major producer in China was heard at Yuan 115,000/mt on a DDP basis. Trades were reported at

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Yuan 105,000/mt, Yuan 106,000/mt, Yuan 108,000/mt and Yuan 110,000/mt DDP China for a total volume of 200 mt this week.

A second cathode maker in China agreed on this and put overall tradeable value below Yuan 110,000/mt.

Shanghai China Lithium disclosed offer for battery-grade lithium carbonate at Yuan 115,000/mt DDP China, no minimum order required, and Yuan 116,000/mt FOB Shanghai indicatively, with “space to edge down further”.

Falling Chinese domestic prices have been putting pressure in the seaborne numbers, according to several market participants consulted over the past month.

Even sellers were aware of the softening prices, some said although price has been

falling this year, production cost also lowered in the same time. Some said “it’s hard to say because expanding production also requires huge investment”.

On the flip side, some sources were still optimistic for both battery-grade lithium carbonate and hydroxide, as demand will pick up for ternary cathode materials, namely NCM (nickel-cobalt-manganese) and NCA (nickel-cobalt-aluminum).

Regardless the dismal in lithium carbonate, market price for battery-grade lithium hydroxide has been increasing over the last 12 months, according to a producer who has not started production but heard prices at over \$20,000/mt CIF Japan and \$18,000/mt CIF South Korea.

Meanwhile, battery-grade nickel sulphate (22.3% nickel content) tradeable level was heard higher at Yuan 27,000-27,500/mt DDP China amid tight domestic supply.

A trader in East China said he heard a producer in Guangxi province was closed on slag processing issues. Another producer in Anhui province also closed for about one and a half months.

“I think in the short-term, there is still uptrend momentum. But in the long-term, it is questionable,” he added.

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