

# METALS DAILY

REPRINT: Volume 7 / Issue 177 / September 7, 2018

## BATTERY METALS

### Seaborne lithium carbonate holds; China domestic price depression slows

*Singapore*—S&P Global Platts assessed seaborne battery-grade lithium carbonate unchanged this week at \$14,500/mt CIF North Asia despite persistent bearish sentiment in the Chinese domestic market, which, however, didn't fall significantly this week after several sequential drops in previous weeks.

The assessment, which reflects deliveries in the main ports of China, Japan and South Korea, was equivalent to Yuan 117,027/mt DDP China (16% VAT included), or Yuan 100,886/mt including port handling fees but without VAT based on Platts import parity formula. The dollar/yuan exchange rate closed at Yuan 6.8212 at 4:30 pm Singapore time Friday.

Selling indications were heard at \$15,000/mt and above CIF North Asia from two Japanese traders for small volumes. One trader specifically pointed out that he would offer at about \$12,500/mt to Chinese customers, spot, for large volumes over 100 mt. The other trader sold "much higher

## BATTERY METALS

### Weekly Prices

|  |          | Change | Date Assessed |
|--|----------|--------|---------------|
| Lithium Carbonate CIF North Asia (\$/mt) | 14500.00 | 0.00   | 7-Sep-18      |

than that" at \$17,000-\$18,000/mt to Japanese customers for several containers delivered November-December. "It takes a minimum of two months to receive the cargoes as we do not have ready stocks in Argentina," he said.

However, the trader said some consumers insisted on \$13,000/mt; a South Korean consumer source said this number would be too low, adding that they had secured supplies with long-term contracts at around \$16,000/mt and \$20,000/mt for carbonate and hydroxide respectively.

This week Platts also started to officially assess the Chinese domestic market for both battery-grade carbonate and hydroxide, as well as the seaborne price for battery-grade hydroxide.

Platts lithium carbonate DDP China price was assessed at Yuan 82,500/mt, while lithium hydroxide DDP China was assessed at Yuan 136,500/mt and lithium hydroxide CIF North Asia at \$19,000/mt.

The assessments reflected trades, bids, offers and indications heard in the global market this week.

A major Chinese cathode maker secured September supply for about 800 mt at Yuan 80,000/mt DDP, but heard about deals closed as high as Yuan 85,000/mt for spodumene-converted carbonate. He also purchased 400-500 mt of hydroxide at around Yuan 136,000-137,000/mt DDP.

A North China cathode maker reported a deal at Yuan 80,000/mt DDP China for 50-60

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

## METALS DAILY

Volume 7 / Issue 177 / September 7, 2018

ISSN: 2325-0658

The names "S&P Global Platts" and "Platts" and the S&P Global Platts logo are trademarks of S&P Global Inc. Permission for any commercial use of the S&P Global Platts logo must be granted in writing by S&P Global Inc.

You may view or otherwise use the information, prices, indices, assessments and other related information, graphs, tables and images ("Data") in this publication only for your personal use or, if you or your company has a license for the Data from S&P Global Platts and you are an authorized user, for your company's internal business use only. You may not publish, reproduce, extract, distribute, retransmit, resell, create any derivative work from and/or otherwise provide access to the Data or any portion thereof to any person (either within or outside your company, including as part of or via any internal electronic system or intranet), firm or entity, including any subsidiary, parent,

or other entity that is affiliated with your company, without S&P Global Platts' prior written consent or as otherwise authorized under license from S&P Global Platts. Any use or distribution of the Data beyond the express uses authorized in this paragraph above is subject to the payment of additional fees to S&P Global Platts.

S&P Global Platts, its affiliates and all of their third-party licensors disclaim any and all warranties, express or implied, including, but not limited to, any warranties of merchantability or fitness for a particular purpose or use as to the Data, or the results obtained by its use or as to the performance thereof. Data in this publication includes independent and verifiable data collected from actual market participants. Any user of the Data should not rely on any information and/or assessment contained therein in making any investment, trading, risk management or other

decision. S&P Global Platts, its affiliates and their third-party licensors do not guarantee the adequacy, accuracy, timeliness and/or completeness of the Data or any component thereof or any communications (whether written, oral, electronic or in other format), and shall not be subject to any damages or liability, including but not limited to any indirect, special, incidental, punitive or consequential damages (including but not limited to, loss of profits, trading losses and loss of goodwill).

ICE index data and NYMEX futures data used herein are provided under S&P Global Platts' commercial licensing agreements with ICE and with NYMEX. You acknowledge that the ICE index data and NYMEX futures data herein are confidential and are proprietary trade secrets and data of ICE and NYMEX or its licensors/suppliers, and you shall use best efforts to prevent the unauthorized publication, disclosure or copying

of the ICE index data and/or NYMEX futures data.

Permission is granted for those registered with the Copyright Clearance Center (CCC) to copy material herein for internal reference or personal use only, provided that appropriate payment is made to the CCC, 222 Rosewood Drive, Danvers, MA 01923, phone +1-978-750-8400. Reproduction in any other form, or for any other purpose, is forbidden without the express prior permission of S&P Global Inc. For article reprints contact: The YGS Group, phone +1-717-505-9701 x105 (800-501-9571 from the U.S.).

For all other queries or requests pursuant to this notice, please contact S&P Global Inc. via email at support@platts.com. *Platts Metals Daily* is published daily by Platts, a division of S&P Global, registered office: Two Penn Plaza, 25th Floor, New York, N.Y. 10121-2298

To reach Platts: E-mail: support@platts.com; North America: Tel: 800-PLATTS-8; Latin America: Tel: +54-11-4121-4810; Europe & Middle East: Tel: +44-20-7176-6111; Asia Pacific: Tel: +65-6530-6430

mt cargoes delivered within two to three days, 30 days L/C payment. The materials are produced from lepidolite.

A producer sold some quantities at Yuan 83,000-84,000/mt this week. The typical trade volume is one truckload.

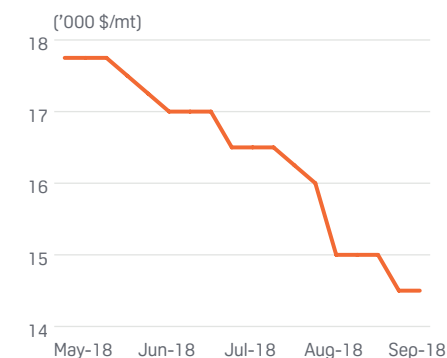
Contrary to carbonate, the Chinese domestic price of hydroxide is slightly higher than the import parity -- which should be expected as imports are subject to additional port and trucking costs, in addition to VAT. If the carbonate market followed the same pattern, CIF prices would have to fall to around \$11,000/mt considering the current Yuan 82,500/mt DDP level.

Though China is a net exporter of lithium hydroxide -- it imported 1,269 mt and exported 19,384 mt in 2017, according to custom's data -- this antagonistic behavior between the two products could be at least partially explained by the industry's increasing shift to nickel-rich batteries, in which the hydroxide is more suitable.

"We have received more inquiries for battery-grade hydroxide than for carbonate recently," a Shanghai-based supplier said, adding that they would be unwilling to sell the carbonate below Yuan 90,000/mt DDP and the hydroxide at no less than Yuan 140,000/mt. The latter would be exported at Yuan 148,000/mt on a FOB basis.

However, one trader said demand for

## PLATTS LITHIUM CARBONATE CIF NORTH ASIA



Source: S&P Global Platts

hydroxide was still lower than for carbonate. He said he could offer carbonate purchased overseas at Yuan 80,000/mt on the domestic market, for which he would indicatively bid at \$10,000-12,000/mt CIF, although "the tradeable level should be \$13,000/mt on a CIF China basis."

"Traders are in a difficult situation as obviously we had to pay our producer higher and sell lower," he said.

The freefall in carbonate price, however, could pause as "producers are losing money and inventories fell," said a second Chinese consumer, saying they would bid at Yuan 82,000/mt DDP for battery-grade lithium carbonate this week.

Both cathode and lithium producers

kept a low inventories, as the price of lithium carbonate has almost halved in seven months.

A major lithium producer agreed, seeing the market at "close to Yuan 85,000/mt" for spodumene-converted carbonate and Yuan 140,000/mt for hydroxide.

In China, a producer who received many inquiries recently sold battery-grade nickel sulphate products at Yuan 26,200-26,300/mt, for a total of 1,500 mt delivered in September.

"I feel there are not much supply in the market. We almost sold out all of our September production," he said.

Consumers, on the other hand, pegged the tradeable price at Yuan 26,000/mt this week.

Gradually stabilizing sentiment has buffered the price dive to some extent in the Chinese lithium carbonate market. Industry sources said demand from downstream manufacturers could pick up in the next quarter due to seasonal effects, including sales increase to meet their year-end performance targets, as well as potentially less supply from brines during winter.

— [Xinyue Zhang, xinyue.zhang@spglobal.com](mailto:xinyue.zhang@spglobal.com)

— [Henrique Ribeiro, henrique.ribeiro@spglobal.com](mailto:henrique.ribeiro@spglobal.com)

— [Marcel Goldenberg,](mailto:marcel.goldenberg@spglobal.com)

[marcel.goldenberg@spglobal.com](mailto:marcel.goldenberg@spglobal.com)

— [Jeremy Lovell, jeremy.lovell@spglobal.com](mailto:jeremy.lovell@spglobal.com)