

METALS DAILY

REPRINT: Volume 8 / Issue 20 / February 8, 2019

BATTERY METALS

Seaborne lithium carbonate slips for first time in 2019; Chinese prices flat

Singapore – Prices for battery-grade lithium carbonate delivered into North Asia fell this week, the first change in prices recorded this year, while lithium hydroxide also recorded its first fall in several weeks.

S&P Global Platts assessed battery-grade lithium carbonate down \$100 on the week at \$12,600/mt on a CIF North Asia basis, while lithium hydroxide was assessed \$200 lower at \$15,600/mt. The prices refer to deliveries at the main ports of China, Japan and South Korea.

The fall in price ends the period of stability for both lithium carbonate and hydroxide in recent weeks. Seaborne lithium carbonate had sat unchanged at \$12,700/mt since the start of 2019, as stockpiling ahead of the Lunar New Year had maintained demand.

Both carbonate and hydroxide were still above the Chinese import parity. In the case of lithium carbonate, \$12,600/mt CIF was equivalent to Yuan 98,046/mt, including 16% VAT, based on the Platts import parity

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

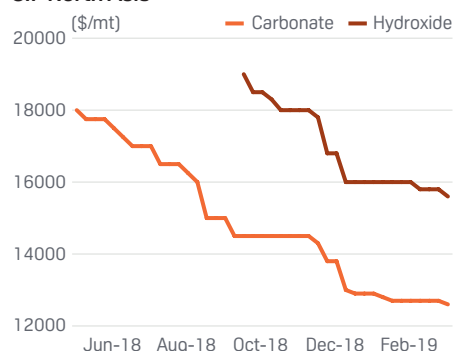
BATTERY METALS

Weekly Prices

		Change	Date assessed
Lithium Carbonate CIF North Asia (\$/mt)	12600	-100	08-Feb-19
Lithium Carbonate DDP China (Yuan/mt)	80000	0	08-Feb-19
Lithium Hydroxide CIF North Asia (\$/mt)	15600	-200	08-Feb-19
Lithium Hydroxide DDP China (Yuan/mt)	105000	0	08-Feb-19
Cobalt Sulfate CIF North Asia (\$/mt)	12800	0	07-Feb-19
6% Spodumene Concentrate FOB Australia (\$/mt)	640	0	31-Jan-19
Lithium Carbonate CIF North Asia Import Parity (Yuan/mt)	98046	-778	08-Feb-19
Lithium Hydroxide CIF North Asia Import Parity (Yuan/mt)	121390	-1556	08-Feb-19

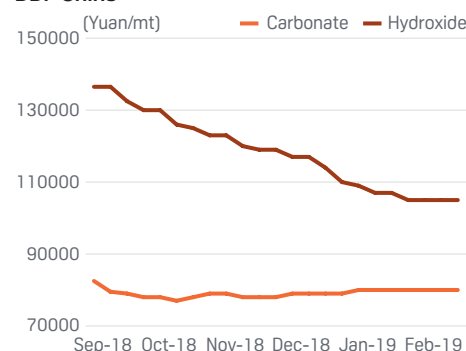
PLATTS LITHIUM CARBONATE AND LITHIUM HYDROXIDE

CIF North Asia



Source: S&P Global Platts

DDP China



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ISSN: 2325-0658

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formula, while lithium hydroxide was equivalent to Yuan 121,390/mt on the same basis. The yuan was assessed at 6.7081 to the dollar at 4:30 pm Singapore time Friday.

The low prices in the Chinese domestic market have put pressure on seaborne pricing, with one Japanese trader commenting that Chinese consumers want nothing above DDP prices. She expected fresh discussions to begin with Chinese customers next week, but felt that she may not be able to sink as low as the DDP price equivalent.

However, for battery-grade lithium imported into South Korea prices have not seen the same pressures, with one trader saying that they would offer at \$13,000/mt into Korea if they had the spare volumes.

In the European market, prices were

heard to be sitting above those in North Asia, with a Japanese trader saying that they had agreed long-term contracts with European consumers for lithium carbonate in the range of \$13,000-\$14,000/mt.

A North American consumer considered prices in the region to be in line with Japan and South Korea, and although not currently in the market for spot, he said that he would be targeting prices of around \$13,000/mt CIF for lithium carbonate and \$15,000/mt CIF for hydroxide if he needed to buy.

In the Chinese domestic market, the Lunar New Year halted activity this week, leaving the market with no clear direction on pricing. The absence of bids, offers and trades reported in the week left S&P Global Platts' assessments for both battery-grade

lithium carbonate and hydroxide unchanged: carbonate stayed at Yuan 80,000/mt, while hydroxide held at Yuan 105,000/mt both on a DDP China basis.

"The Chinese market should be quiet maybe in the next four weeks because of their holiday," said a consumer in North America who expected Chinese prices "to keep moving slightly down through the year due to the high availability of spodumene, while prices should stay more flattish in North America and Europe."

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China, Bolivia agree to \$2.3 billion investment in lithium JV

A Chinese consortium is planning to invest \$2.3 billion to produce lithium and other minerals in Bolivia under a deal signed with the Bolivian government Tuesday.

Under the preliminary agreement, TBEA Group-Baocheng will begin initial studies to form a joint venture with Bolivian state lithium producer YLB to build and operate a series of plants to produce the minerals from the Coipasa and Pastos Grandes salt flats in western Bolivia, the government said in a statement.

Together with northwest Argentina and northern Chile, western Bolivia forms part of South America's lithium triangle, estimated to host more than half the world's lithium resources. However, unlike its neighbors,

Bolivia has yet to produce the mineral – in hot demand because of its use in electric vehicle batteries – on an industrial scale.

The plan involves the construction of five plants at the Salar de Coipasa at a cost of \$1.3 billion, to produce potassium sulfate, lithium hydroxide, boric acid and bromine. The lithium hydroxide plant would have capacity to produce 60,000 mt/year of the chemical.

TBEA Group-Baocheng would also build a lithium battery plant in China in which YLB would hold a majority stake. The company will also invest another \$1.07 billion in the Salar de Pastos Grandes where it will build plants to produce lithium chloride, lithium carbonate and metallic lithium.

YLB is already advancing plans to produce lithium from the Salar de Uyuni, the world's largest salt flat, through a joint venture with Germany's ACI Systems.

Speaking at the signing ceremony, Bolivian President Evo Morales said seven companies had participated in the tender to exploit the salares' mineral potential, including three from Russia, two from China and one each from Germany and Ireland, but that Chinese consortium had been chosen based on the technical proposal.

China is going to need 800,000 mt of lithium by 2025," said China's ambassador to Bolivia, Liang Yu, in the statement.

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Cobalt sulfate market muted amid Lunar New Year holiday lull

Cobalt sulfate trading activities paused in Northeast Asia this week, with China officially closed for the Lunar New Year holidays from February 4-10.

Chinese domestic trades have ceased

since a week ago. Market participants expected diminishing import and export activities during the holiday month. With the largest producer and consumer away for the holidays, market activities also slowed down

in the rest of the world.

As a result, S&P Global Platts assessed cobalt sulfate with 20.5% cobalt content unchanged at \$12,800/mt CIF North Asia Thursday.

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