

METALS DAILY

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BATTERY METALS

Seaborne lithium market at standstill despite lower Chinese prices

Singapore—The seaborne lithium carbonate market was stable this week despite lower Chinese prices.

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 at the main ports of China, Japan and South Korea.

The S&P Global Platts' lithium carbonate DDP China assessment fell Yuan 500 (\$73) week on week to Yuan 79,000/mt on Friday as sellers continued cutting offers to meet lower bids.

"We are receiving more inquiries from buyers this week as they plan to prepare stock before the [National Day] holidays," a Chinese producer said.

However, sentiment remained bearish as buyers were only bidding at Yuan 75,000-78,000/mt, he added.

Most deals were heard done at around Yuan 78,000-80,000/mt DDP China this week. Certain deals for lithium carbonate

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Weekly Prices

		Change	Date Assessed
Lithium Carbonate CIF North Asia (\$/mt)	14500	0	21-Sep-18
Lithium Carbonate DDP China (Yuan/mt)	79000	-500	21-Sep-18
Lithium Hydroxide CIF North Asia (\$/mt)	18500	0	21-Sep-18
Lithium Hydroxide DDP China (Yuan/mt)	132500	-4000	21-Sep-18

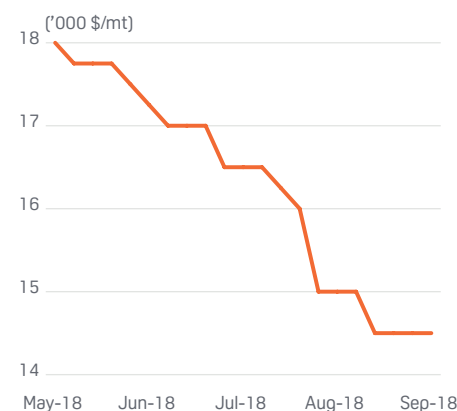
made from brines were done at lower levels of around Yuan 75,000-76,000/mt DDP China.

The \$14,500/mt CIF price was equivalent to Yuan 114,976/mt DDP China (including 16% value-added tax), or Yuan 101,100/mt including port handling fees but without VAT based on Platts import-parity formula. The yuan was assessed at 6.8357 to the dollar at 4:30 pm Singapore time Friday.

"We haven't imported lithium carbonate for a while due to the high offers from sellers and falling domestic prices," a Chinese buyer said, adding that they would wait for Chinese domestic prices to stabilize before they started importing again.

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PLATTS LITHIUM CARBONATE CIF NORTH ASIA



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Another Chinese buyer also expressed little import interest, mainly because of the weak yuan against the dollar.

A Tokyo-based trader said spot cargoes could be tradable at around \$15,000-15,500/mt in Japan on a CIF basis.

Platts assessed battery-grade lithium hydroxide DDP China at Yuan 132,500/mt, fell 2.93% on week to reflect lower price points heard in the market this week.

Two producers put their lowest offer levels at Yuan 135,000/mt, cash payment, for direct feedstocks of NCM 811 and NCA cathodes. The products are categorized as fine powders, with a particle diameter of 9-15 micrometers.

Pressured by the fall in the carbonate price, consumers were in a wait-and-see mode as the gap between both materials is too wide. "We haven't confirmed deals as we are still negotiating with our customers," a producer said, saying a transaction could also be done at Yuan 130,000/mt.

A consumer reported paying Yuan 130,000/mt for 60-70 mt September delivery.

The other producer doubted if the trade was representative, as "they may buy [lithium hydroxide] coarse particles at that price for NCM 622 cathode production". He said fine powders are usually Yuan 8,000-10,000/mt more expensive due to processing and other costs including labor, packaging

and transportation. The shelf life of fine powders is much shorter than coarse particles due to the chemical property that the smaller the particle size, the easier the caking and carbonization.

"Producers face risks if they export. This means export offers to Japan and South Korea will be no less than the domestic price (equivalent to \$19,749/mt)," he added.

For seaborne lithium hydroxide, several other market participants pegged tradable level at \$18,500/mt CIF North Asia.

The Platts CIF North Asia lithium hydroxide assessment remained unchanged this week at \$18,500/mt on the steady seaborne market.

Chinese spodumene concentrates (5.5%-6% Li) was heard tradable at Yuan 7,000-8,000/mt, while the equivalent price for FOB Australian spodumene concentrates could be Yuan 6,500/mt, or Yuan 7,000/mt including inland transportation and other costs, a Sichuan mining company source said.

Turning into other battery metals, a producer said on Monday that he sold around 100 mt 20.5% grade cobalt sulphate at Yuan 92,000/mt, delivered within 2-3 days upon cash payment received. The trade was done last week.

As for nickel sulphate, he had sold about 2,400 mt this month, mostly at Yuan 26,500/mt DDP China, on 30-days credit terms. But he

was willing to give a Yuan 300/mt discount for a shorter delivery distance and greater volume.

Typhoon Mangkhut over last weekend did not affect their operation in Guangxi province, he added.

A Shanghai trader agreed Yuan 92,000/mt offer level heard, adding that lowest tradable price could be Yuan 88,000/mt.

Purchasing price could range from Yuan 88,000-92,000/mt, depending on quality differentials, said a South Central China consumer, who reported paying Yuan 91,000-92,000/mt for around 120 mt of standard 20.5% product from major producers and Yuan 3,000/mt discount for around 80 mt from other producers this week.

He also said a Yuan 2,000/mt premium was applied for 21% grade, as the producer said they do not have stocks available to deliver this week.

Slight supply concerns gathered among consumers, while demand was poised to rebound in the next quarter.

"I feel [that] some major precursor makers have increased production to some extent. But for smaller sized players, nothing much changed," the producer said.

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