

Lithium market summary Jun 5-9

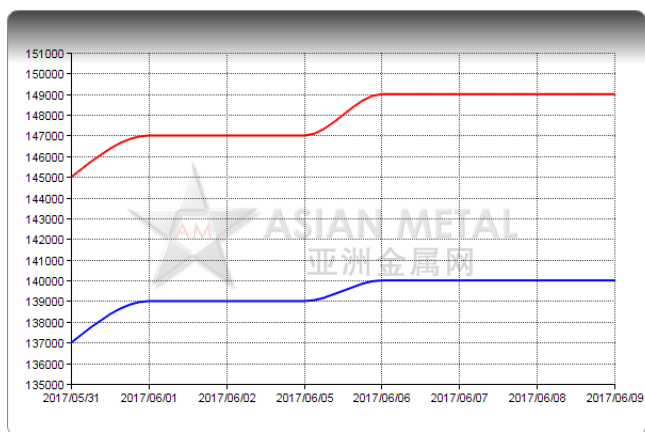
This week, lithium carbonate prices in the Chinese market continued to rebound and prices for lithium hydroxide and lithium metal moved up accordingly. Downstream consumers showed low interest in purchasing believing that rises in lithium carbonate prices were only short-term cases, and the market saw active enquiries but relatively rare transactions. The Zhangjiagang base of Tianqi Lithium still needs time to recover normal capacity after the resumption and lithium salt prices in the market will hover at high levels in the short term.

Prices in the cobalt salt market stopped declining continuously and lithium salt prices moved up; this week, prices for anode materials such as lithium cobalt oxide and NCM stabilized with slight rises in NCM prices. Demand in the downstream battery market has yet to recover and lithium carbonate prices show no signs of decreasing in the short run; it is anticipated that anode material prices will remain stable in the future market.

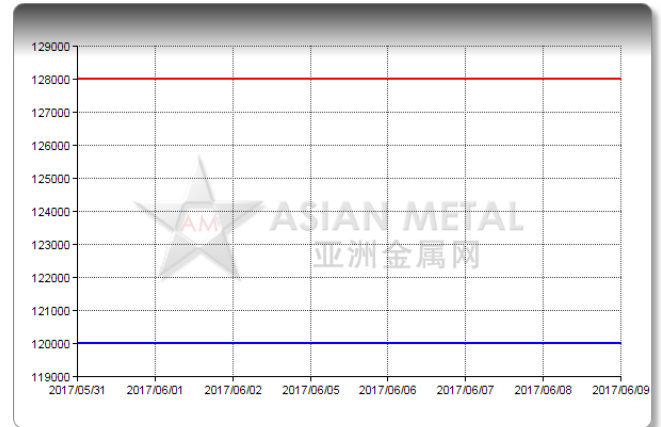
Chinese market review

Lithium carbonate prices rebound further

Although Tianqi Lithium had resumed production, it still needs time to see normal production, and some of its orders of May have yet to be executed; therefore, lithium carbonate supply in the Chinese market was still tight and prices moved up again. Due to stable supply in the industrial grade lithium carbonate market and downstream demand, prices for the material were unchanged. This Friday, prices for Chinese battery grade lithium carbonate 99.5%min stood at RMB140,000-149,000/t (USD20,595-21,919/t), up by RMB3,000/t (USD441/t) from the previous week, and those for industrial grade lithium carbonate 99%min continued to be stable at RMB120,000-128,000/t (USD17,653-18,830/t). Downstream anode material producers made no large purchases due to high lithium prices and the market saw sparse transactions.



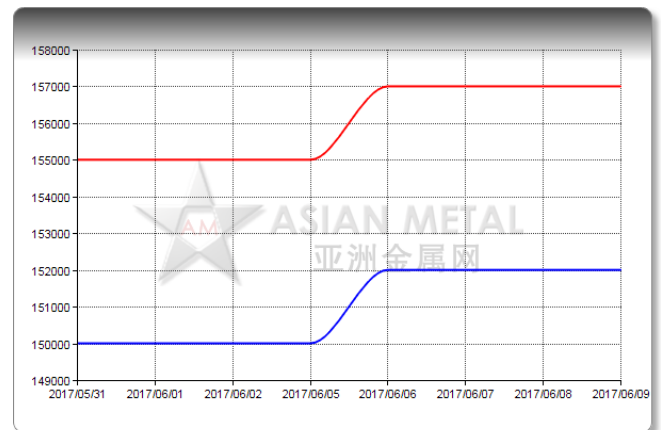
Chinese battery grade lithium carbonate 99.5%min price trend (RMB/t)



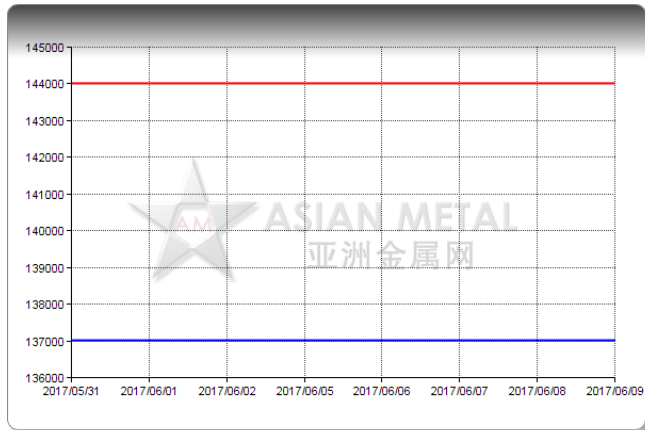
Chinese industrial grade lithium carbonate 99%min price trend (RMB/t)

Lithium hydroxide monohydrate prices up

With rising lithium carbonate prices, prices for battery grade lithium hydroxide monohydrate 96%min also increased according to RMB152,000-157,000/t (USD22,360-23,096/t), up by RMB2,000/t (USD294/t) from the previous week, and those for industrial grade 56.5%min material remained stable at RMB137,000-144,000/t (USD20,154-21,183/t) due to limited demand. This week, the Chinese lithium hydroxide monohydrate market also saw scarce transactions and downstream consumers were extremely cautious about purchasing.



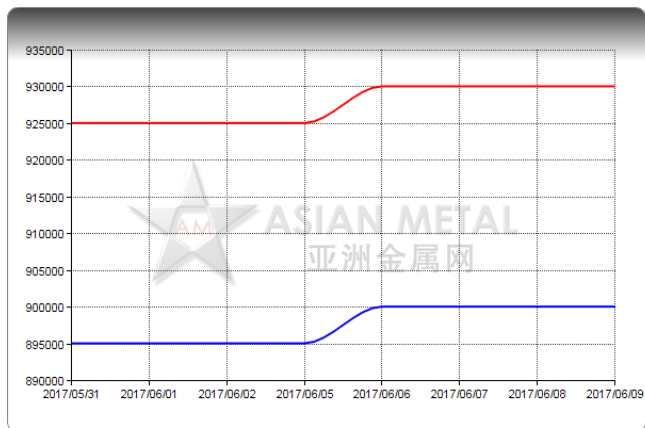
Chinese battery grade lithium hydroxide monohydrate 96%min price trend (RMB/t)



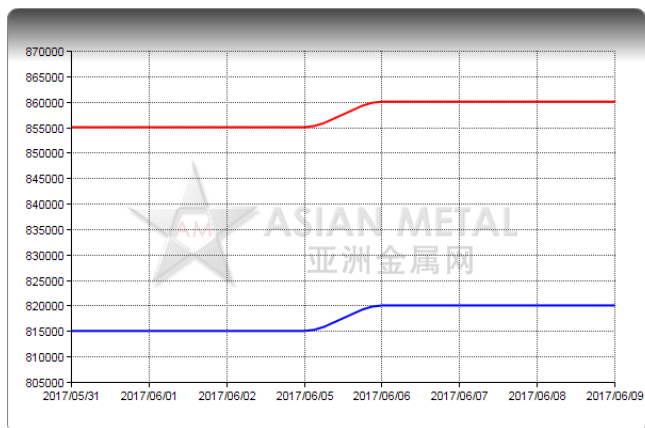
Chinese industrial grade lithium hydroxide monohydrate 56.5%min price trend (RMB/t)

Lithium metal prices up

This Friday, prices for Chinese battery grade lithium metal 99.9%min and industrial grade lithium metal 99%min stood at RMB900,000-930,500/t (USD132,396-136,883/t) and RMB820,000-860,000/t (USD120,627-126,512/t) respectively, both up by RMB5,000/t (USD736/t) from the previous week. Although lithium metal prices were pushed to rebound by rises in lithium carbonate prices, downstream producers made no purchases considering high prices and the market saw relatively sparse transactions.



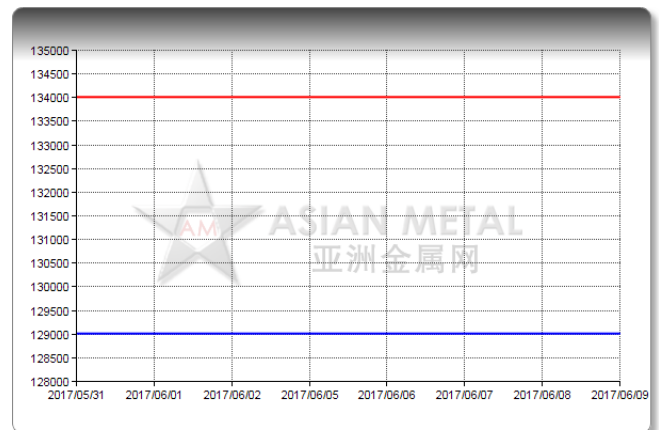
Chinese battery grade lithium metal 99.9%min price trend (RMB/t)



Chinese industrial grade lithium metal 99%min price trend (RMB/t)

Lithium chloride prices stable continuously

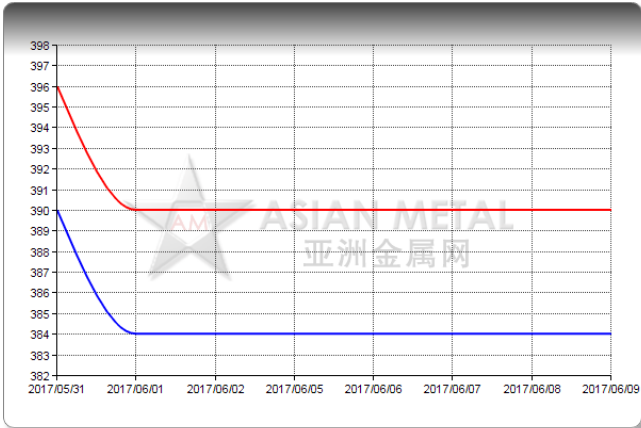
As the downstream lithium metal market saw limited transactions and consumers made no large purchases, the lithium chloride market almost saw no transactions with continuously stable prices although producers raised quotations. This Friday, prices for lithium chloride 99.3%min in the Chinese market kept stable at RMB129,000-134,000/t (USD18,977-19,712/t) and were expected to see difficulties in rising in the future market.



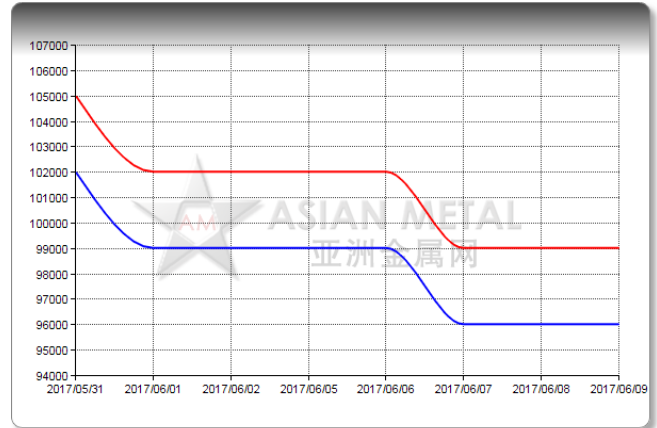
Chinese lithium chloride 99.3%min price trend (RMB/t)

Lithium cobalt oxide prices stable

This week, as cobalt prices in the international markets moved up and Chinese cobalt salt producers held selling prices firm refusing to lower prices again, coupled with continuously rising lithium carbonate prices, lithium cobalt oxide prices in the Chinese market kept stable this week. This Friday, prices for 4.35V high-voltage lithium cobalt oxide and 4.2V ordinary material stabilized at RMB384-390/kg (USD56.49-57.37/kg) and RMB365-370/kg (USD53.69-54.43/kg) respectively. Cobalt salt prices stopped declining recently and lithium salt prices were still at high levels, but the downstream battery market was still in the slack season; it was expected that lithium cobalt oxide prices will hover between the existing price range.



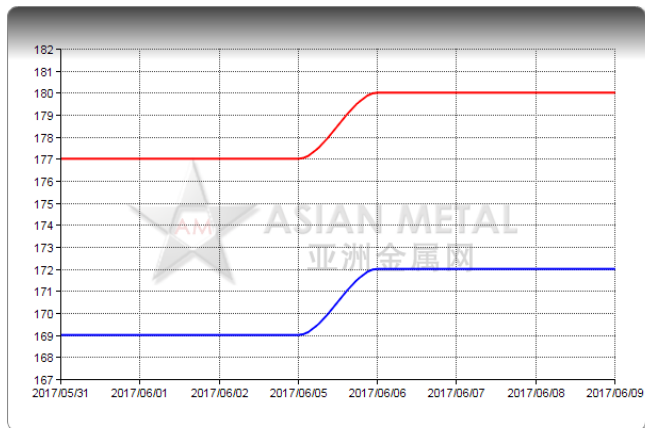
Chinese lithium cobalt oxide 60%min price trend (RMB/kg)



NCM 523 precursor price trend (RMB/t)

NCM price disparity aggravated

Cobalt prices in the international markets rebounded this week and cobalt salt producers refused to reduce selling prices due to rising international prices, but NCM precursor producers purchased at low prices previously; therefore, NCM precursor prices edged down to RMB96-99/kg (USD14.12-14.56/kg) this week. Supported by lithium carbonate prices, NCM prices remained stable or edged up. This week, prices for NCM 523 of high energy density increased slightly by RMB3/kg (USD0.44/kg) to RMB172-180/kg (USD25.30-26.48/kg) in the Chinese market, those for ordinary NCM 523 continued to stand still at RMB160-165/kg (USD23.54-24.27/kg) and those for NCM 622 were about RMB200-205/kg (USD29.42-30.16/kg).



NCM 523 price trend (RMB/kg)

Market outlook

Lithium carbonate 99.5%min

Trend — Chance 80% Range +/-0

Lithium hydroxide monohydrate LioH 96%min Na 0.03%max

Trend — Chance 80% Range +/-0

Lithium metal 99.9%min

Trend — Chance 80% Range +/-0

Lithium chloride 99.3%min

Trend — Chance 80% Range +/-0

Lithium cobalt oxide 60%min

Trend — Chance 80% Range +/-0

NCM

Trend — Chance 80% Range +/-0

Downstream consumers believed that tight supply of lithium salt was only a short-term case and the market witnessed weak purchase interest with only small orders concluded. Market participants predicted that with lithium carbonate prices at high levels and no improvement in downstream demand, prices for lithium carbonate, lithium hydroxide monohydrate and lithium chloride will remain stable in the coming week.

Demand in the downstream battery market of lithium cobalt oxide and NCM has yet to recover; although raw material prices are very likely to go up, it is predicted that Chinese anode material prices will remain stable next week due to no new orders from downstream consumers in the short run.