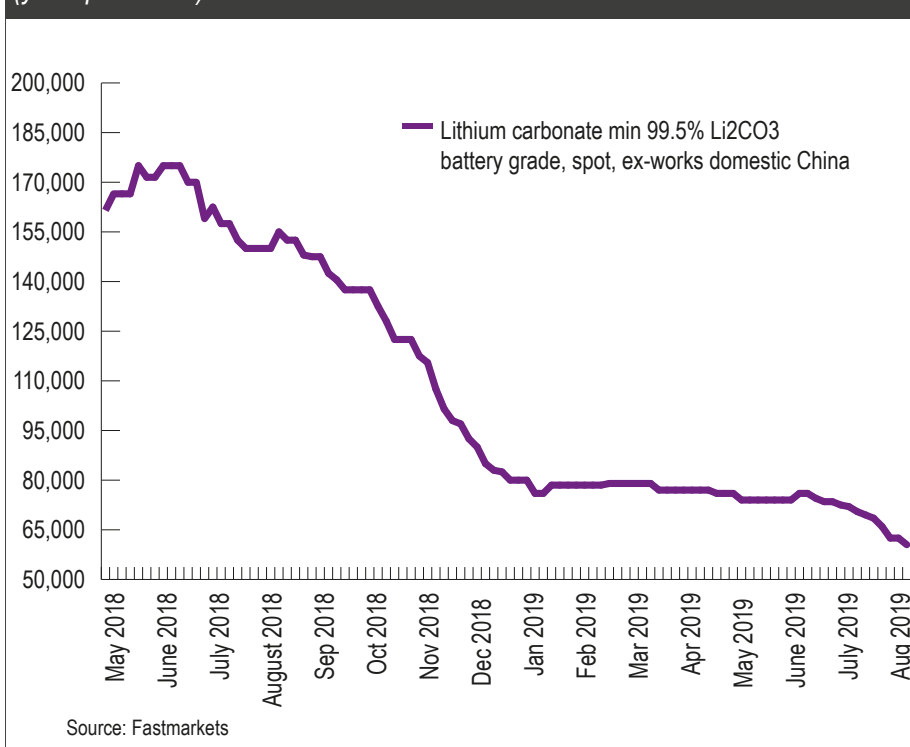


Charging up

Lithium prices you can rely on

LITHIUM CARBONATE BATTERY GRADE, SPOT PRICE (MIDPOINT) (yuan per tonne)



There is no doubt that the lithium market is changing and the battery boom is the primary driver of this.

The way physical market participants price lithium is evolving, with increased monitoring of spot-based price movements having an evermore profound impact on contract negotiations.

The question is, how do you keep up with the changes, risks and opportunities?

Fastmarkets has been bringing transparency to this market via our independent and reflective lithium prices for over 30 years. Our price specifications have been developed to mirror specific compounds and end-uses, including a suite of specialist battery-grade lithium prices, to help you better manage your exposure while this market evolves.

What's driving lithium prices?

China: the price driver

- China is a dominant force in lithium pricing, representing 50% of global chemical output and use, which should grow while compounds are increasingly exported internationally.
- Lithium oversupply and slow downstream demand are weighing on lithium prices in China after material supply grew faster than demand.

Global impact

- Seaborne Asian spot prices have been declining over 2019 due to competition with Chinese exporters, who lowered their prices.
- Prices followed this downtrend in markets in Europe and the US but remained slightly sheltered from the downward pressure.

Changing dynamics

- During periods of high price volatility, producers and consumers negotiate more regularly to control the price risks of procuring lithium
- Some consumers are procuring part of their material as a long-term contract as well as on spot to control the price risk.

Outlook

- Global lithium prices should follow China's spot market. Producers' output will be restrained near term, which could flatten prices in 2020.
- The market is now oversupplied after a ramp-up of new supply, which may take 2-3 years for demand to overtake, but a low price environment that prompts more supply restraint, may speed this up.



Charging up to deliver the lithium benchmark



#FastmarketsLithium

Fastmarkets partners with LME to develop lithium benchmark

Huge investment throughout the electric vehicle (EV) sector has led to increased demand for reliable market intelligence across the supply chain for battery raw materials.

Over the past two years, physical market participants have shown an increased willingness to transition from pricing mechanisms based on tracking customs data to those provided by price reporting agencies.

Many physical market participants are now updating their lithium pricing mechanisms on a quarterly or half-yearly basis, monitoring spot pricing movements to determine trends. This demonstrates an increased appreciation of the importance of spot market data and the influence it has on pricing negotiations.

With its existing reputation in the battery raw materials sector, Fastmarkets has strived to develop prices in consultation with the lithium industry to meet the demands of this evolving market. These pricing tools continue to gain traction in the physical market and are helping to facilitate more efficient trading.

Although there are several reference points for various product types and locations in the lithium market, the market has accelerated to establish a single benchmark since the London Metal Exchange announced it intends to develop a cash-settled lithium contract, based on a PRA lithium price.

Fastmarkets and the LME are therefore partnering to define a roadmap that will establish a definitive lithium benchmark. The objective of this is to provide a tool that meets the requirements of the physical market and could also function as a risk management tool for the industry.

Read more from Jon Mulcahy, Price Development Manager Europe, at fastmarkets.com/lithium

Get access to the latest lithium prices, market news and analysis and find out more about our partnership with the LME at fastmarkets.com/lithium

Our lithium prices



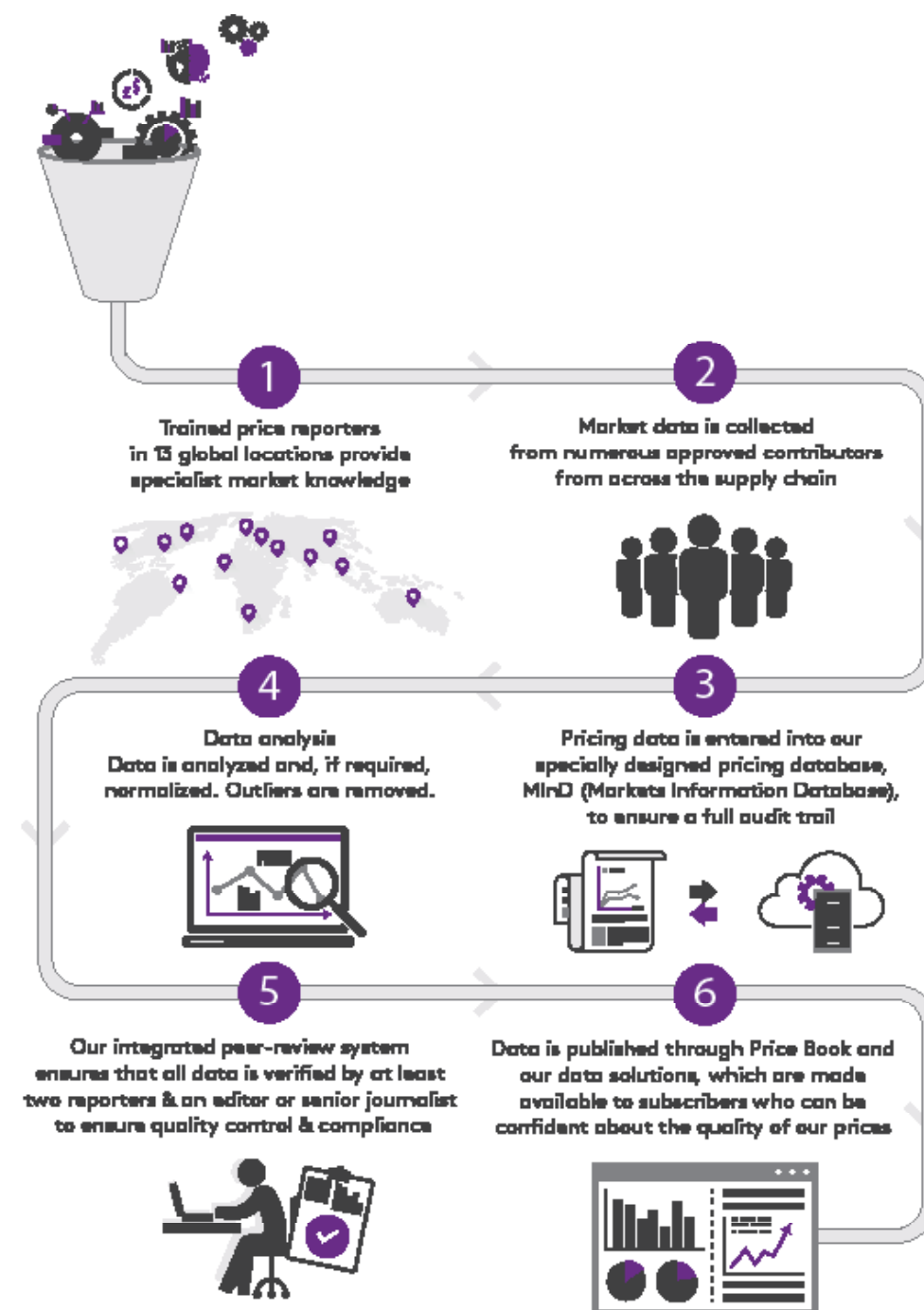
We cover over 30 lithium market price assessments globally, including contract prices and various compounds. We believe the following prices are the most likely to emerge as an industry benchmark:

Battery Grade Spot Lithium Carbonate

- Lithium carbonate min 99.5% Li_2CO_3 battery grade, contract prices cif China, Japan & Korea, \$/kg
- Lithium carbonate min 99.5% Li_2CO_3 battery grade, spot prices cif China, Japan & Korea, \$/kg
- Lithium carbonate min 99.5% Li_2CO_3 battery grade, spot price range, ex-works domestic China, yuan/tonne

Battery Grade Spot Lithium Hydroxide

- Lithium hydroxide monohydrate min 56.5% $\text{LiOH}\cdot\text{H}_2\text{O}$ battery grade, Spot prices cif China, Japan & Korea, \$/kg
- Lithium hydroxide monohydrate min 56.5% $\text{LiOH}\cdot\text{H}_2\text{O}$ battery grade, contract prices cif China, Japan & Korea, \$/kg
- Lithium hydroxide monohydrate min 56.5% $\text{LiOH}\cdot\text{H}_2\text{O}$ battery grade, spot price range, ex-works domestic China, yuan/tonne



Our price assessment process

Being transparent about our price assessment and index process is important to us. You can be confident that our pricing process is impartial and market reflective.

Our methodology is aligned with core IOSCO principles and we have successfully completed an assurance review (from PricewaterhouseCoopers) for our financial benchmarks.

We are the first price reporting agency to have achieved Type 1 IOSCO assurance for our lithium prices.

We are working in conjunction with the physical market while pricing evolves to provide tools that facilitate physical market trading.

Charging up

Bringing transparency to the evolving lithium market

Following an extensive consultation with the lithium industry, the LME has selected Fastmarkets as its partner to develop the lithium benchmark.

Find out more:

fastmarkets.com/lithium

#fastmarketslithium

