

Polysilicon prices to rebound in September

Average spot polysilicon price has crossed below the \$8/kg threshold for the first time, according to PVInsights. Market analyst Johannes Bernreuter said, however, that the industry should not read too much into \$8/kg as a historical threshold and that prices may rise again in September, driven by strong demand in the Chinese market.

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According to [PVInsights](#), the average price of polysilicon has fallen below the threshold of \$8/kg in the first half of August, the first time prices have dipped this low. The Taiwanese analyst reported on August 7 that average spot price had reached \$7.92/kg and that a week later it further dropped to \$7.88/kg.

According to the market expert Johannes Bernreuter, however, the industry should not overinterpret the \$8/kg as a historical threshold, although it is true that, at least according to PVInsights data, it has technically been crossed for the first time.

Bernreuter also explained that the recent slump is mainly due to the artificial depreciation of the Chinese Yuan in the wake of the trade conflict between the U.S. and China. "However, I expect the low price to sustain only for a few weeks until end demand in China picks up in September," he said in a statement to [pv magazine](#), while also citing how [Chinese supplier Daqo](#) is preparing for the massive uptick of demand in China expected to start next month. In its latest financial figures, in fact, the manufacturer said it was expecting a flood of orders from China starting from the third quarter.

"This low price level makes many polysilicon manufacturers bleed, except for the new factories with subsidized ultra-low electricity costs in Xinjiang and Inner Mongolia," Bernreuter added. "They respond to such challenges by resorting to maintenance work and resuming production once the price begins to recover."

Looking forward, Bernreuter said that, maybe, one or the other will shut down permanently after six already did this last year, while non-Chinese manufacturers, mainly Germany's [Wacker](#) and South Korean company OCI, are currently working hard to get their production costs down further. "[REC Silicon](#) is already out of the solar-grade polysilicon game, which will reduce the volumes on the spot market from this side," he concluded.

In a recent interview with [pv magazine](#), Bernreuter anticipated that polysilicon prices may rise again in the second half of this year, driven by increasing solar demand in the Chinese PV market. "That will support higher polysilicon prices – but hardly beyond \$11 per kilogram," he said in June.