

Battery Metals Market Signals

Bull

- Last week, both trading volume and open interest of futures on GFDEX decreased. If prices further fluctuate slightly, a short-term bottom potentially form. The market still focuses on the miner's production reduction plans and situations of lithium spodumene.
- In May 2025, SMM's total lithium carbonate production in China decreased by 2% month-on-month but increased by 15% year-on-year. Non-integrated lithium salt producers reduced output after sustained losses, and some lithium salt plants underwent maintenance accordingly. A year-on-year decline in production is needed to effectively ease the supply pressure. The production is unlikely to drop significantly due to the ramping up of salt lake production. The output of lithium hydroxide remained basically stable month-on-month but decreased by more than 20% year-on-year.
- In May 2025, China iron phosphate market monitored by SMM showed stable performance, with output increasing by 2% month-on-month and surging by 38% year-on-year. The resumption of production by integrated lithium iron phosphate enterprises has driven a significant increase in output. SMM expects that lithium iron phosphate output will continue to grow both month-on-month and year-on-year in June.
- According to German media Bne IntelliNews, the court in Nor Lipez, Bolivia, ruled to immediately suspend the lithium - mine concession deal between Bolivia's state - owned lithium company and Chinese and Russian companies, and prohibited any administrative or operational activities related to the agreement until the judicial process is completed. The project, with an investment exceeding \$970 million, is scheduled to commence in the H2 2025. Subsequently, production capacity will be expanded in phases: 3,000 tons in the first phase, 6,000 tons in the second phase, and 5,000 tons in the third phase, ultimately achieving an annual production target of 14,000 tons of lithium carbonate.
- On June 3rd, the battery super factory of Envision AESC, a globally leading battery technology enterprise in France, was officially put into production. The initial production capacity of this factory is 10 GWh, which is expected to provide high - performance power batteries for approximately 200,000 electric vehicles annually, mainly supplying car companies such as Renault.

Battery Metals Market Signals

Bear

- Last week, prices fell across the entire lithium industry chain (upstream, midstream, and downstream), but the decline in lithium salts significantly slowed down. The Asian spot price of lithium carbonate hit a new low last week, the lowest since February 2021.
- Global lithium spodumene prices continue to plummet, and lithium salts are unlikely to truly stabilize before the decline halts. The drop in lithium spodumene may need to wait for more mine projects to shut down before it can stop.
- In May 2025, the output of SMM ternary precursors decreased by 3.99% month - on - month but increased by 4.53% year - on – year in China. This is mainly due to the weakness in both domestic and overseas car sales.
- Lithium battery recycling enterprises in China reported consecutive month-on-month declines in recycled battery materials for both April and May.
- In June, domestic lithium salt demand is generally met through long-term contracts and customer-supplies. Thus, the trades in secondary market hardly affect pricing. The continuous increase in salt lake production is squeezing the output of other production methods, and this trend cannot be changed in the short term. As of last week, the SMM industry inventory of lithium carbonate was 132,432 tons, a week-on-week increase of 861 tons. The inventory level remained at a three-year high in the second quarter.

Others

- As of the week ending June 6th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 1,862,930 tons, a decrease of 721,800 tons on the week. The open interest was 565,526 tons, a decrease of 8,175 tons on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 33,309 tons last week, compared with 33,457 tons in the previous week.

Sources: SMM, China Passenger Car Association, Bloomberg, MySteel, China Customs

Weekly Futures Price and Open Interest Change

Open Interest /lots	Cobalt Metal	Lithium Hydro	OI WoW %	Cobalt Metal	Lithium Hydro	Price	Cobalt Metal \$/mt	Lithium Hydro \$/mt	Price WoW %	Cobalt Metal \$/mt	Lithium Hydro \$/mt
May-25	775	2,945	Jun-25	-0.4%	0.0%	May-25	34,745	8,260	Jun-25	-0.1%	-0.1%
Jun-25	770	3,808	Jul-25	-0.9%	0.4%	Jun-25	33,400	8,300	Jul-25	-5.0%	0.6%
Jul-25	644	3,308	Aug-25	-0.3%	1.1%	Jul-25	34,238	8,300	Aug-25	-4.7%	0.4%
Aug-25	492	3,522	Sep-25	-0.2%	1.0%	Aug-25	34,282	8,300	Sep-25	-5.5%	0.2%
Sep-25	579	3,616	Oct-25	-9.8%	0.2%	Sep-25	34,833	8,760	Oct-25	-5.4%	2.6%
Oct-25	488	3,490	Nov-25	-9.0%	0.2%	Oct-25	34,899	8,760	Nov-25	-6.3%	2.6%
Nov-25	534	3,029	Dec-25	-5.8%	0.2%	Nov-25	34,943	8,760	Dec-25	-6.4%	2.2%
Dec-25	627	2,007	Jan-26	2.1%	3.3%	Dec-25	35,494	8,880	Jan-26	-6.7%	-0.2%
Jan-26	524	1,929	Feb-26	2.5%	3.5%	Jan-26	35,561	8,900	Feb-26	-6.5%	0.0%
Feb-26	713	1,802	Mar-26	1.1%	0.8%	Feb-26	35,605	8,920	Mar-26	-6.4%	0.2%
Mar-26	450	907	Apr-26	6.6%	0.3%	Mar-26	35,935	9,250	Apr-26	-6.5%	0.2%
Apr-26	450	893	May-26	6.6%	-1.2%	Apr-26	36,001	9,280	May-26	-6.5%	0.1%
May-26	311	893	Jun-26	3.3%	-1.2%	May-26	36,046	9,320	Jun-26	-6.5%	0.2%
Jun-26	301	863	Jul-26	1.3%	7.5%	Jun-26	36,553	9,530	Jul-26	-6.9%	-0.2%
Jul-26	261	863	Aug-26	3.6%	7.5%	Jul-26	36,597	9,550	Aug-26	-6.8%	0.0%
Aug-26	316	863	Sep-26	2.9%	7.5%	Aug-26	36,663	9,580	Sep-26	-6.7%	0.3%
Sep-26	486	894	Oct-26	0.0%	40.8%	Sep-26	37,038	9,800	Oct-26	-6.4%	-0.5%
Oct-26	476	894	Nov-26	0.0%	40.8%	Oct-26	37,104	9,800	Nov-26	-6.3%	-0.5%
Nov-26	543	894	Dec-26	0.0%	40.8%	Nov-26	37,324	9,800	Dec-26	-5.8%	-0.5%
Dec-26	397	45	Jan-27	0.0%	125.0%	Dec-26	37,434	10,030	Jan-27	-6.7%	0.3%
Jan-27	362	45	Feb-27	0.0%	125.0%	Jan-27	37,545	10,050	Feb-27	-6.6%	0.5%
Feb-27	360	45	Mar-27	0.0%	125.0%	Feb-27	37,589	10,080	Mar-27	-6.6%	0.8%

Source: CME

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