

Battery Metals Market Signals**Bull**

- According to SMM data, lithium carbonate production decreased by 3.2% w-o-w in China. Some salt lake enterprises reduced production due to equipment maintenance, and lithium hydroxide production also declined by 2.8%, tightening market supply.
- Fastmarkets data shows that cobalt prices rose by 8% this week. Battery companies may increase the use of lithium salts to control costs. The Democratic Republic of Congo has extended the temporary ban on cobalt exports for three months to continue curbing the oversupply in the international market.
- According to customs data, lithium carbonate exports increased by 18% w-o-w. Overseas battery companies have increased their purchases, and lithium hydroxide exports rose by 12% w-o-w.
- Mysteel's survey shows that more than 70% of cathode material companies plan to stockpile lithium carbonate/lithium hydroxide inventory by the end of June. This week, the number of spot inquiries increased by 25%.
- According to the China Passenger Car Association, NEV retail sales in the first two weeks of June increased by 15% m-o-m. The operating rate of battery factories has increased, driving up the demand for lithium salts.
- In late June, several large-scale energy storage projects in China were launched, which are expected to drive the demand for lithium carbonate by more than 10,000 tons.
- After experiencing a deep correction in May and the first half of June, the export price of spodumene from Australia stabilized last week.
- Due to a significant increase in electricity and auxiliary material prices this week, the cost of extracting lithium from lithium mica has risen sharply. Some enterprises have reduced production, leading to a decrease in market supply.
- Data from China lithium industry associations shows that the production of recycled lithium carbonate/lithium hydroxide from batteries decreased by 10% w-o-w.
- From January to May, China's production of power and other batteries reached 568.1 GWh, a year-on-year increase of 62.6%.
- As the European and North American markets enter summer, demand for energy storage has increased, leading to a rise in the import volume of lithium salts.

Battery Metals Market Signals

Bear

- During the last report week, lithium salt enterprises showed a strong sentiment toward maintaining prices, but downstream purchasers remained cautious and adopted a wait-and-see approach.
- The weekly total inventory of lithium carbonate increased slightly, rising by 1.01% w-o-w to approximately 134,900 tons, reaching a historical high.
- According to Bloomberg, the shipment volumes of two major Australian lithium mining enterprises increased by 12% w-o-w this week.
- The decline in battery component prices accelerated in June, and some photovoltaic projects were postponed, reducing the demand for lithium carbonate.
- Battery inventory in China has increased.
- July–August is the off-season for new energy vehicle sales in China, coupled with the recent reduction in new energy vehicle projects, this is not conducive to the demand for battery materials.

Others

- As of the week ending June 20th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 1,586,539 tons, a decrease of 260,014 tons w-o-w. Open interest stood at 647,277 tons, an increase of 49,319 tons w-o-w — the highest single-week increase on record.
- The registered warehouse warrants for lithium carbonate on the Guangzhou Futures Exchange were 27,793 tons last week, compared with 32,118 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
Jun-25	775	2,945	Jun-25	0.0%	0.0%	Jun-25	33,973	8,260	Jun-25	-0.6%	0.0%
Jul-25	658	3,639	Jul-25	-9.5%	-1.0%	Jul-25	33,775	8,350	Jul-25	-0.4%	1.8%
Aug-25	613	3,240	Aug-25	-1.0%	-1.0%	Aug-25	33,973	8,350	Aug-25	0.1%	1.8%
Sep-25	483	3,428	Sep-25	1.3%	-1.1%	Sep-25	33,620	8,400	Sep-25	-1.1%	1.9%
Oct-25	566	3,566	Oct-25	1.6%	0.2%	Oct-25	33,753	8,480	Oct-25	-2.7%	-2.0%
Nov-25	476	3,449	Nov-25	1.9%	0.9%	Nov-25	33,753	8,480	Nov-25	-2.7%	-2.0%
Dec-25	536	3,063	Dec-25	4.7%	1.4%	Dec-25	33,753	8,550	Dec-25	-2.7%	-1.5%
Jan-26	587	2,142	Jan-26	-0.5%	4.9%	Jan-26	34,017	8,610	Jan-26	-3.6%	-1.6%
Feb-26	479	2,064	Feb-26	-1.6%	5.1%	Feb-26	34,017	8,610	Feb-26	-4.0%	-1.6%
Mar-26	658	1,910	Mar-26	-2.7%	5.7%	Mar-26	34,017	8,800	Mar-26	-4.0%	0.2%
Apr-26	440	1,059	Apr-26	-2.2%	0.0%	Apr-26	34,172	8,920	Apr-26	-4.0%	-2.3%
May-26	440	1,059	May-26	-2.2%	0.0%	May-26	34,172	8,930	May-26	-4.1%	-2.2%
Jun-26	329	1,149	Jun-26	3.1%	0.0%	Jun-26	34,172	8,950	Jun-26	-4.2%	-1.6%
Jul-26	311	985	Jul-26	3.3%	2.4%	Jul-26	35,208	9,030	Jul-26	-2.7%	-2.4%
Aug-26	271	985	Aug-26	3.8%	2.4%	Aug-26	35,230	9,050	Aug-26	-2.7%	-2.2%
Sep-26	326	1,060	Sep-26	3.2%	5.3%	Sep-26	35,274	9,080	Sep-26	-2.7%	-1.8%
Oct-26	486	1,023	Oct-26	0.0%	0.0%	Oct-26	35,693	9,250	Oct-26	-2.3%	-3.9%
Nov-26	476	1,023	Nov-26	0.0%	2.0%	Nov-26	35,737	9,280	Nov-26	-2.2%	-3.8%
Dec-26	543	1,023	Dec-26	0.0%	2.0%	Dec-26	35,781	9,300	Dec-26	-2.2%	-3.9%
Jan-27	407	110	Jan-27	0.0%	144.4%	Jan-27	36,156	9,430	Jan-27	-1.9%	-5.5%
Feb-27	372	110	Feb-27	0.0%	144.4%	Feb-27	36,200	9,430	Feb-27	-1.9%	-5.7%
Mar-27	370	110	Mar-27	0.0%	144.4%	Mar-27	36,222	9,430	Mar-27	-1.9%	-6.0%

Source: CME

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