

Battery Metals Market Signals

Bull

- Both the lithium salt market and lithium ore have rebounded consecutively, with a strong sentiment to support prices. The registered warehouse receipts of the Guangzhou Futures Exchange have decreased rapidly.
- According to SMM data, the output of lithium iron phosphate in June increased by 2% month-on-month and 56% year-on-year. The scale of enterprise maintenance is not large, so the output is likely to remain stable in the future. The increase in sales was due to mills' efforts to meet half-year sales targets. SMM expects the output of lithium iron phosphate to continue to grow month-on-month in July.
- The output of anode materials in June increased by 1.5% month-on-month and 27% year-on-year. The output of electric cores in June reached 143.34GWh, up 1% month-on-month.
- Due to the pressure of residential and industrial electricity consumption during the peak discharge period of energy storage, energy storage in the Northern Hemisphere ushered in seasonal growth in summer. In addition, in the medium term, the accelerated installation of energy storage in Europe, Australia and other regions may drive the incremental trend of lithium iron phosphate.
- Due to the previous export ban in the DR Congo, the supply of cobalt intermediates has decreased, and prices have rebounded significantly. SMM data shows that the output of cobalt sulfate in June decreased by 9.71% month-on-month and increased by 3.8% year-on-year. SMM expects the production schedule of cobalt sulfate to decline further in July.

Battery Metals Market Signals

Bear

- The lithium salt in the weekly report had a smaller increase compared with photovoltaic modules following the news of anti-involution in China. The gains in futures and spot markets were generally consistent. Going forward, as speculative funds gradually exit, the market potentially see a decrease in volatility.
- The photovoltaic industry chain and new energy industry chain have rebounded rapidly since the end of June. On the futures side, the end of the bottom pattern has led some arbitrage traders to consider closing positions in advance, but once sales pressure emerges in the future, enterprises may look for appropriate selling prices on the market again.
- At present, with the end of the mid-year sales push for new energy vehicles and the exhaustion of government subsidies in the first half of the year, automobile sales in July may decline.
- For the subsequent domestic anti-involution policies, it is necessary to see which specific link the capacity clearance in the battery industry will occur. From the lithium salt side, the capacity of salt lakes in summer is still not to be underestimated.

Others

- As of the week ending July 4th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 2,573,663 tons, a decrease of 379,889 tons on the week. The open interest was 592,838 tons, a decrease of 22,164 tons on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 21,036 tons last week, compared with 21,998 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
Jul-25	644	3,619	Jul-25	0.3%	-0.1%	Jul-25	34,789	8,200	Jul-25	-5.1%	-3.0%
Aug-25	730	3,336	Aug-25	0.0%	1.7%	Aug-25	35,891	8,500	Aug-25	-2.8%	0.0%
Sep-25	549	3,407	Sep-25	-0.9%	-0.1%	Sep-25	36,001	8,630	Sep-25	-2.8%	-1.5%
Oct-25	572	3,480	Oct-25	-0.9%	-1.5%	Oct-25	36,001	8,750	Oct-25	-6.4%	-1.7%
Nov-25	485	3,372	Nov-25	-1.0%	-1.5%	Nov-25	36,001	8,790	Nov-25	-6.4%	-1.6%
Dec-25	534	3,044	Dec-25	0.9%	-0.9%	Dec-25	36,685	8,800	Dec-25	-4.6%	-1.5%
Jan-26	585	2,217	Jan-26	0.0%	2.8%	Jan-26	37,743	8,950	Jan-26	-1.8%	-0.6%
Feb-26	477	2,139	Feb-26	0.0%	2.9%	Feb-26	37,765	9,010	Feb-26	-1.7%	0.1%
Mar-26	658	1,950	Mar-26	0.0%	1.3%	Mar-26	37,809	9,100	Mar-26	-1.7%	1.1%
Apr-26	435	1,074	Apr-26	0.0%	1.4%	Apr-26	38,140	9,350	Apr-26	-1.1%	3.3%
May-26	435	1,069	May-26	0.0%	0.9%	May-26	38,184	9,350	May-26	-1.2%	3.1%
Jun-26	324	1,159	Jun-26	0.0%	0.9%	Jun-26	38,206	9,350	Jun-26	-1.1%	3.0%
Jul-26	311	1,005	Jul-26	0.0%	0.0%	Jul-26	38,581	9,450	Jul-26	-0.6%	0.7%
Aug-26	271	1,005	Aug-26	0.0%	0.0%	Aug-26	38,625	9,450	Aug-26	-0.6%	0.5%
Sep-26	326	1,080	Sep-26	0.0%	0.0%	Sep-26	38,647	9,480	Sep-26	-0.6%	0.3%
Oct-26	486	1,113	Oct-26	0.0%	3.7%	Oct-26	38,867	9,600	Oct-26	-0.6%	0.0%
Nov-26	476	1,113	Nov-26	0.0%	3.7%	Nov-26	38,912	9,630	Nov-26	-0.6%	0.3%
Dec-26	543	1,113	Dec-26	0.0%	3.7%	Dec-26	38,956	9,650	Dec-26	-0.6%	0.5%
Jan-27	407	120	Jan-27	0.0%	0.0%	Jan-27	39,176	9,800	Jan-27	-1.6%	0.7%
Feb-27	372	120	Feb-27	0.0%	0.0%	Feb-27	39,198	9,830	Feb-27	-1.5%	1.0%
Mar-27	370	120	Mar-27	0.0%	0.0%	Mar-27	39,242	9,850	Mar-27	-1.4%	1.0%
Apr-27	297	120	Apr-27	-19.7%	0.0%	Apr-27	39,397	10,050	Apr-27	-1.0%	2.6%

Source: CME

CONTACT

Bryan He
BryanH@freightinvestor.com
m: (+86) 18981835193

Anna Chadwick
AnnaC@freightinvestor.com
m: (+44) 2070901126

Lina Liu
LinaL@freightinvestor.com
m: (+86) 15000131292

Luke Vint
LukeV@freightinvestor.com
m: (+44) 7749701512

Harri Bohorun
HarriB@freightinvestor.com
m: (+44) 7543223446