

Battery Metals Market Signals

Bull

- The price of lithium iron phosphate continued to rebound, with the increase in energy storage demand offsetting the decrease in power demand.
- The price of ternary precursors has rebounded slightly. Due to the short-term recovery in the consumer ternary market, the demand for Series 6 products has increased. The recovery in export market demand has also driven slight growth in demand for Series 8 products. SMM expects that production scheduling of ternary precursors to increase in July.
- The year-on-year sales volume of new energy vehicles in China was relatively high at the beginning of July.
- The rebound of spodumene in July marked the fastest monthly increase this year. Among that, Australian spodumene (CIF) began its rebound trajectory on June 17th, laying the groundwork for a reversal in the lithium battery sector.

Battery Metals Market Signals

Bear

- As speculative funds gradually withdraw from the futures market this week, short-term fluctuations may occur instead of the fast growth seen in early July.
- Following the sharp rise in lithium salt prices, downstream enterprises have shown no clear intent to stock up. Spot trading remains scarce, and demand continues to follow long-term contracts and customer supply models. SMM's lithium carbonate inventory remains high, at around 140,000 tons. If total domestic lithium carbonate output plus imports in H1 reaches 530,000 tons, supply will have increased by over 30% year-on-year. According to MySteel data, lithium carbonate production scheduling in July is expected to rise 7.1% MoM, while lithium hydroxide is expected to decline 5.8% MoM, indicating a significant overall increase in production scheduling.
- Currently, downstream lithium salt material plants have not begun large-scale stockpiling. However, rigid demand is supporting prices and preventing a pullback. After futures rebounded significantly more than spot prices, the basis has rapidly converged.
- After the rebound in cobalt intermediates, willingness for physical trades has decreased. Enterprises are more inclined to consume their own inventories. Meanwhile, extended cobalt export timelines from the Democratic Republic of the Congo have kept quotations firm.

Others

- As of the week ending July 11th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 2,375,510 tons, a decrease of 198,153 tons on the week. The open interest was 600,972 tons, an increase of 8,134 tons on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 11,603 tons last week, compared with 21,306 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	3,593	Jul-25	0.0%	-0.7%	Jul-25	34,723	8,050	Jul-25	-0.2%	-1.8%
Aug-25	729	3,304	Aug-25	-0.1%	-1.0%	Aug-25	34,304	8,110	Aug-25	-4.4%	-4.6%
Sep-25	529	3,340	Sep-25	-3.6%	-2.0%	Sep-25	34,172	8,210	Sep-25	-5.1%	-4.9%
Oct-25	547	3,433	Oct-25	-4.4%	-1.4%	Oct-25	34,216	8,430	Oct-25	-5.0%	-3.7%
Nov-25	474	3,388	Nov-25	-2.3%	0.5%	Nov-25	34,216	8,500	Nov-25	-5.0%	-3.3%
Dec-25	534	3,095	Dec-25	0.0%	1.7%	Dec-25	34,216	8,530	Dec-25	-6.7%	-3.1%
Jan-26	580	2,401	Jan-26	-0.9%	8.3%	Jan-26	34,789	8,630	Jan-26	-7.8%	-3.6%
Feb-26	472	2,338	Feb-26	-1.0%	9.3%	Feb-26	34,811	8,670	Feb-26	-7.8%	-3.8%
Mar-26	658	2,129	Mar-26	0.0%	9.2%	Mar-26	34,855	8,730	Mar-26	-7.8%	-4.1%
Apr-26	435	1,158	Apr-26	0.0%	7.8%	Apr-26	35,009	8,790	Apr-26	-8.2%	-6.0%
May-26	435	1,193	May-26	0.0%	11.6%	May-26	35,053	8,840	May-26	-8.2%	-5.5%
Jun-26	324	1,329	Jun-26	0.0%	14.7%	Jun-26	35,428	8,870	Jun-26	-7.3%	-5.1%
Jul-26	311	1,137	Jul-26	0.0%	13.1%	Jul-26	35,781	8,950	Jul-26	-7.3%	-5.3%
Aug-26	271	1,089	Aug-26	0.0%	8.4%	Aug-26	35,825	9,130	Aug-26	-7.2%	-3.4%
Sep-26	326	1,164	Sep-26	0.0%	7.8%	Sep-26	35,869	9,130	Sep-26	-7.2%	-3.7%
Oct-26	486	1,211	Oct-26	0.0%	8.8%	Oct-26	35,979	9,310	Oct-26	-7.4%	-3.0%
Nov-26	476	1,211	Nov-26	0.0%	8.8%	Nov-26	36,090	9,310	Nov-26	-7.3%	-3.3%
Dec-26	543	1,211	Dec-26	0.0%	8.8%	Dec-26	36,112	9,310	Dec-26	-7.3%	-3.5%
Jan-27	407	135	Jan-27	0.0%	12.5%	Jan-27	36,332	9,400	Jan-27	-7.3%	-4.1%
Feb-27	372	135	Feb-27	0.0%	12.5%	Feb-27	36,531	9,430	Feb-27	-6.8%	-4.1%
Mar-27	370	135	Mar-27	0.0%	12.5%	Mar-27	36,553	9,450	Mar-27	-6.9%	-4.1%
Apr-27	297	120	Apr-27	0.0%	0.0%	Apr-27	36,597	9,750	Apr-27	-7.1%	-3.0%

Source: CME

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