

Battery Metals Market Signals

Bull

- At a joint forum on the new energy vehicle (NEV) industry, China's Ministry of Industry and Information Technology, along with other relevant departments, announced measures to promote product price monitoring, enforce product consistency supervision, shorten supplier payment cycles, ensure product safety and reliability, improve the development environment, and enhance the role of standards in the industry.
- Lithium mica mines in Yichun, Jiangxi Province, and the salt lake operations of Zangge Lithium Industry in Tibet are facing a mismatch between mineral resource licenses and actual mining activities, affecting an estimated monthly output of 1,200 tons of lithium carbonate equivalent. Although the immediate impact is limited, local governments are increasingly focused on curbing illegal mining, leading to growing compliance risks and market concerns over future lithium supply stability.
- Jiuling Lithium Industry, one of China's top 10 lithium carbonate producers, decided in a July 17th meeting to suspend lithium carbonate sales for three months.
- Lithium carbonate warehouse receipts on the Guangzhou Futures Exchange (GFEX) dropped sharply by 70% from June to July, easing selling pressure in the delivery market.
- In the first half of 2025, China's cumulative installed power battery capacity reached 299.6 GWh, marking a year-on-year increase of 47%. Shipments of energy storage batteries reached 265 GWh, a year-on-year increase of 128%. Installation of wind and photovoltaic power systems also accelerated notably in May and June.

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Bear

- In June, year-on-year growth rates for NEV production and sales, as well as lithium battery output and installation, slowed due to a high base effect and the conclusion of subsidies. Automakers proactively destocked and cut production.
- According to SMM, lithium carbonate inventories continue to build up and are expected to remain near historical highs through Q2 and Q3. After a sharp market rebound, futures prices briefly held a premium of nearly 3,000 yuan/ton over physical prices. This re-emergence of basis arbitrage may hinder the pace of future price increases.
- Argentina exported 8,422.15 tons of lithium carbonate in June, representing a month-on-month increase of 69.66% and a year-on-year surge of 99.06%.
- The Goulamina spodumene project in Mali, owned by Ganfeng Lithium's subsidiary Mali Lithium, officially began operations in July, with an annual production capacity of 506,000 tons of lithium concentrate.
- Following the sharp increase in lithium salt prices, downstream demand has weakened. However, activity in the secondary market remains strong.
- SMM research indicates that prices of ternary precursors and ternary materials pulled back slightly last week, as downstream cathode and battery cell manufacturers largely resisted increases in discount coefficients.

Others

- As of the week ending July 18th, weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange reached 5,242,864 tons, a 120% increase from the previous week and the highest weekly volume since listing. Open interest stood at 660,768 tons, up 9.95% week-on-week.
- Registered warehouse warrants for lithium carbonate on the GFEX totaled 10,239 tons last week, down from 11,603 tons 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%	0.0%	Jul-25	34,877	8,030	Jul-25	0.4%	-0.2%
Aug-25	739	3,354	Aug-25	1.4%	1.5%	Aug-25	34,216	8,400	Aug-25	-0.3%	3.6%
Sep-25	522	3,405	Sep-25	-1.3%	1.9%	Sep-25	34,216	8,600	Sep-25	0.1%	4.8%
Oct-25	552	3,353	Oct-25	0.9%	-2.3%	Oct-25	34,392	8,850	Oct-25	0.5%	5.0%
Nov-25	479	3,429	Nov-25	1.1%	1.2%	Nov-25	34,436	8,950	Nov-25	0.6%	5.3%
Dec-25	539	3,095	Dec-25	0.9%	0.0%	Dec-25	34,458	9,000	Dec-25	0.7%	5.5%
Jan-26	588	2,417	Jan-26	1.4%	0.7%	Jan-26	35,009	9,350	Jan-26	0.6%	8.3%
Feb-26	475	2,343	Feb-26	0.6%	0.2%	Feb-26	35,053	9,400	Feb-26	0.7%	8.4%
Mar-26	658	2,159	Mar-26	0.0%	1.4%	Mar-26	35,098	9,450	Mar-26	0.7%	8.2%
Apr-26	396	1,192	Apr-26	-9.0%	2.9%	Apr-26	35,340	9,510	Apr-26	0.9%	8.2%
May-26	396	1,208	May-26	-9.0%	1.3%	May-26	35,340	9,550	May-26	0.8%	8.0%
Jun-26	288	1,444	Jun-26	-11.1%	8.7%	Jun-26	35,340	9,550	Jun-26	-0.2%	7.7%
Jul-26	297	1,247	Jul-26	-4.5%	9.7%	Jul-26	35,759	9,820	Jul-26	-0.1%	9.7%
Aug-26	271	1,069	Aug-26	0.0%	-1.8%	Aug-26	35,781	9,850	Aug-26	-0.1%	7.9%
Sep-26	326	1,144	Sep-26	0.0%	-1.7%	Sep-26	35,869	9,900	Sep-26	0.0%	8.4%
Oct-26	486	1,211	Oct-26	0.0%	0.0%	Oct-26	36,090	10,050	Oct-26	0.3%	7.9%
Nov-26	476	1,211	Nov-26	0.0%	0.0%	Nov-26	36,200	10,050	Nov-26	0.3%	7.9%
Dec-26	543	1,211	Dec-26	0.0%	0.0%	Dec-26	36,222	10,050	Dec-26	0.3%	7.9%
Jan-27	407	135	Jan-27	0.0%	0.0%	Jan-27	36,442	10,150	Jan-27	0.3%	8.0%
Feb-27	372	135	Feb-27	0.0%	0.0%	Feb-27	36,597	10,250	Feb-27	0.2%	8.7%
Mar-27	370	135	Mar-27	0.0%	0.0%	Mar-27	36,641	10,300	Mar-27	0.2%	9.0%
Apr-27	297	120	Apr-27	0.0%	0.0%	Apr-27	36,663	10,750	Apr-27	0.2%	10.3%

Source: CME

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