FIS

WEEKLY BATTERY METALS MARKET PREVIEW

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Battery Metals Market Signals

Bull

- Last week, the price of lithium carbonate declined, yet downstream inquiry activity remained robust. Market participants are speculating on whether Jiangxi mines will successfully obtain mining licenses in August.

- Lithium hydroxide continued to rise, supported by relatively high discounts in marginal spot quotations and controlled shipment volumes from upstream mines.

- The price of cobalt intermediates rebounded continuously. Smelters faced cost inversion, and cobalt intermediates were relatively scarce, providing strong upward momentum.

- Due to the rapid price increases of nickel sulfate and cobalt sulfate, the market is awaiting an upward adjustment of the discount coefficient for spot orders of ternary precursors.

- In the long term, the automotive industry—aiming to curb "involution"—is gradually reining in the trend of low-price competition, which could lead to rising car prices going forward.

Battery Metals Market Signals

Bear

- In July 2025, China's monthly lithium carbonate output reached 80,000 tons, up 4% month-on-month and 26% year-on-year. The relatively high futures prices have provided enterprises with hedging opportunities, enabling them to lock in sales prices while increasing operating rates.

- Australian mines, including IGO, Pilbara Minerals, Liontown Resources, and Wesfarmers, have raised their production guidance for the fiscal year.

- Due to reduced orders for power batteries, small and medium-sized lithium iron phosphate material manufacturers have cut production. However, thanks to the 90-day extension of tariff policies, orders for energy storage have performed well. Going forward, demand for lithium iron phosphate may rebound once cell manufacturers complete inventory stocking.

- Australian miner Liontown Resources stated on Tuesday that it had resold part of the lithium products originally intended for Ford to a Chinese buyer. According to Bloomberg, Ford Motor Company's electric vehicle sales plummeted 31.4% in the second quarter. With the gradual reduction of U.S. policy support for electric vehicles, their sales volume may continue to decline.

- Recently, domestic automakers have also planned to proactively reduce inventories. Lower production schedules will affect lithium demand from the power battery sector.

- Domestic lithium carbonate inventories remain at historically high levels.

Others

- As of the week ending Aug 1st, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 6,348,628 tons, a decrease of 22.59% week-on-week. The open interest was 696,107 tons, down by 23.35% week-on-week. Both volume and open interest dropped significantly, indicating the last round of speculation had come to an end.

- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 6,605 tons last week, compared with 11,996 tons in the previous week.

Sources: SMM, China Passenger Car Association, Bloomberg, MySteel, China Customs, Guangzhou Futures Exchange, FIS, China National Bureau of Statistics, CME

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Weekly Futures Price and Open Interest Change

Open Interest /lots	Cobalt Metal	Lithium Hydro
Aug-25	725	3,388
Sep-25	609	3,796
Oct-25	626	3,236
Nov-25	575	3,299
Dec-25	657	2,946
Jan-26	598	2,292
Feb-26	485	2,253
Mar-26	648	2,034
Apr-26	371	1,158
May-26	371	1,191
Jun-26	293	1,561
Jul-26	306	1,287
Aug-26	272	1,034
Sep-26	326	1,109
Oct-26	486	1,131
Nov-26	476	1,131
Dec-26	543	1,131
Jan-27	407	115
Feb-27	372	115
Mar-27	370	115
Apr-27	297	115

OI WoW %	Cobalt Metal	Lithium Hydro
Aug-25	-1.9%	0.5%
Sep-25	16.7%	0.1%
Oct-25	8.5%	-4.3%
Nov-25	10.4%	-4.0%
Dec-25	16.7%	-3.9%
Jan-26	0.0%	-3.2%
Feb-26	0.0%	-2.4%
Mar-26	-1.5%	-3.6%
Apr-26	-2.6%	-1.8%
May-26	-2.6%	-1.8%
Jun-26	1.7%	5.5%
Jul-26	-1.6%	-3.0%
Aug-26	-1.8%	-2.8%
Sep-26	0.0%	-2.6%
Oct-26	0.0%	-5.0%
Nov-26	0.0%	-5.0%
Dec-26	0.0%	-5.0%
Jan-27	0.0%	-14.8%
Feb-27	0.0%	-14.8%
Mar-27	0.0%	-14.8%
Apr-27	0.0%	-4.2%

Price	Cobalt Metal $/mt	Lithium Hydro $/mt
Aug-25	34,282	8,000
Sep-25	34,657	8,530
Oct-25	35,561	8,850
Nov-25	35,605	8,950
Dec-25	35,671	9,080
Jan-26	35,935	9,350
Feb-26	35,979	9,350
Mar-26	36,001	9,350
Apr-26	36,200	9,700
May-26	36,200	9,750
Jun-26	36,222	9,800
Jul-26	36,310	10,070
Aug-26	36,420	10,080
Sep-26	36,707	10,150
Oct-26	36,817	10,500
Nov-26	36,861	10,530
Dec-26	36,883	10,550
Jan-27	37,324	10,780
Feb-27	37,368	10,800
Mar-27	37,412	10,830
Apr-27	37,523	11,200

Price WoW %	Cobalt Metal $/mt	Lithium Hydro $/mt
Aug-25	0.1%	-10.8%
Sep-25	0.3%	-19.8%
Oct-25	-0.4%	-18.3%
Nov-25	-0.5%	-17.3%
Dec-25	-0.4%	-16.1%
Jan-26	-0.3%	-15.8%
Feb-26	-0.2%	-15.8%
Mar-26	-0.1%	-14.0%
Apr-26	0.1%	-6.0%
May-26	0.1%	-6.0%
Jun-26	0.2%	-7.6%
Jul-26	-0.2%	-8.2%
Aug-26	-0.1%	-13.8%
Sep-26	0.7%	-13.2%
Oct-26	0.6%	-8.7%
Nov-26	0.7%	-8.4%
Dec-26	0.6%	-8.3%
Jan-27	0.8%	-17.1%
Feb-27	0.7%	-16.9%
Mar-27	0.7%	-16.7%
Apr-27	0.8%	-11.1%

Source: CME

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