

Battery Metals Market Signals

Bull

- In July, China's lithium carbonate imports reached 13,845 tons, down 22% month-on-month and 43% year-on-year.
- Enterprises that suspended production for lithium hydroxide maintenance have gradually resumed operations, yet the overall supply remains tight with strong rigid demand. While downstream inventories of lithium carbonate have increased, driven by the upcoming peak season in September and October in China, downstream sectors have shown demand for stockpiling across multiple links of lithium batteries, providing short-term support for the overall demand.
- The production scheduling of ternary materials remained robust in August and September.
- As battery cell manufacturers have gradually concluded their bidding processes, the processing fees for some LFP products have declined slightly. However, LFP exports in July rose 34.94% month-on-month in China.
- In September, the production scheduling of major global enterprises and domestic battery manufacturers in China both registered year-on-year and month-on-month growth.
- Lithium carbonate prices have continued to plummet, leading to declining profits for upstream miners, who have thus become reluctant to sell and are striving to maintain prices. Nevertheless, lithium salt producers, having locked in sales prices through hedging positions, now show a stronger willingness to restock lithium ore inventories.

Battery Metals Market Signals

Bear

- The work safety license for a lithium mine in Yichun, China has been successfully renewed, which has alleviated market concerns about domestic production cuts. Additionally, the commissioning progress of salt lake lithium projects is proceeding smoothly.
- According to SMM statistics, the national lithium carbonate inventory at the end of August stood at 141,100 tons, a month-on-month decrease of 400 tons, but it remains near historical high levels.
- Some smelters of cobalt intermediates are facing cost inversion and have started selling their inventories.
- Salt Lake Co., Ltd. expects its 40,000-ton/year lithium salt project to enter the feeding and test run phase by the end of September. By then, the company will form a lithium salt production scale of 80,000 tons/year.
- The Guangzhou Municipal Bureau of Commerce announced that the automobile "replacement and renewal" subsidy policy will be suspended from 00:00 on August 30, 2025.

Others

- As of the week ending Aug 29th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 4,181,173 tons, down by 28.88% on the week. The open interest was 744,380 tons, down by 5.72% on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 29,887 tons last week, compared with 24,990 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.

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
Sep-25	587	3,913	Sep-25	0.0%	1.0%	Sep-25	35,053	9,480	Sep-25	1.7%	2.5%
Oct-25	543	3,256	Oct-25	-0.7%	-0.1%	Oct-25	35,274	9,630	Oct-25	2.2%	0.3%
Nov-25	540	3,174	Nov-25	0.2%	-0.1%	Nov-25	35,274	9,630	Nov-25	2.2%	-0.5%
Dec-25	641	2,524	Dec-25	-0.6%	-1.8%	Dec-25	35,274	9,630	Dec-25	2.2%	-0.7%
Jan-26	603	2,531	Jan-26	0.0%	-1.0%	Jan-26	35,561	9,970	Jan-26	0.7%	1.2%
Feb-26	503	2,524	Feb-26	0.0%	-0.8%	Feb-26	35,605	9,990	Feb-26	0.3%	0.4%
Mar-26	693	2,341	Mar-26	0.0%	-0.8%	Mar-26	35,649	10,000	Mar-26	0.1%	-1.7%
Apr-26	376	1,297	Apr-26	1.3%	2.8%	Apr-26	35,869	10,250	Apr-26	-0.6%	0.5%
May-26	376	1,345	May-26	1.3%	2.7%	May-26	35,891	10,300	May-26	-0.6%	0.0%
Jun-26	293	1,772	Jun-26	0.0%	2.0%	Jun-26	35,935	10,350	Jun-26	-0.6%	-0.5%
Jul-26	306	1,266	Jul-26	0.0%	1.2%	Jul-26	36,266	10,480	Jul-26	-0.4%	-3.4%
Aug-26	272	1,030	Aug-26	0.0%	2.0%	Aug-26	36,310	10,530	Aug-26	-0.4%	-3.2%
Sep-26	313	1,080	Sep-26	0.0%	0.0%	Sep-26	36,332	10,620	Sep-26	-0.4%	-3.5%
Oct-26	468	1,123	Oct-26	1.1%	0.4%	Oct-26	36,994	10,950	Oct-26	0.5%	-2.7%
Nov-26	457	1,117	Nov-26	1.1%	0.4%	Nov-26	37,038	11,030	Nov-26	0.6%	-2.4%
Dec-26	538	1,117	Dec-26	0.9%	0.4%	Dec-26	37,082	11,050	Dec-26	0.7%	-2.6%
Jan-27	387	90	Jan-27	0.0%	0.0%	Jan-27	37,434	11,330	Jan-27	-0.7%	-3.2%
Feb-27	352	123	Feb-27	0.0%	0.0%	Feb-27	37,479	11,350	Feb-27	-0.6%	-3.4%
Mar-27	350	90	Mar-27	0.0%	0.0%	Mar-27	37,523	11,380	Mar-27	-0.5%	-3.6%
Apr-27	277	115	Apr-27	0.0%	0.0%	Apr-27	37,699	11,700	Apr-27	0.0%	-3.7%

Source: CME

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