

Battery Metals Market Signals

Bull

- Spot prices edged higher last week, supported by peak-season demand and inventory restocking ahead of the long holiday.
- Market sensitivity to lepidolite production resumption has diminished as its share of lithium carbonate output dropped from 20% in Q2 to 15%. Meanwhile, spodumene's share increased from 49% to 56%. With spodumene import prices reaching a critical \$800/ton, some analysts warn further declines could trigger Australian mine closures.
- A decision on potential mine closures in Jiangxi is expected by end-September. The market anticipates less severe closures than initially feared, but with back resource taxes are likely. This suggests Q4 supply will remain loose, though prices may need to rise to offset tax costs.
- Lithium iron phosphate demand is growing, narrowing producer losses. Leading manufacturers are experiencing capacity constraints.
- September electrolyte output will potentially reach a two-year monthly high, driven by rising lithium hexafluorophosphate prices. Operating rates for this key material are expected to continue increasing.
- Energy storage cells are in short supply, with strong demand from domestic markets as well as Eastern Europe, the Middle East, and Australia.
- New energy vehicle production reached 1.391 million units in August (+27.4% YoY), while sales hit 395,000 units (+26.8% YoY).
- The Agence de Régulation du Marché des Matériaux Stratégiques (ARECOMS) of the Democratic Republic of the Congo issued a decision on September 20, 2025, extending the country's ban on cobalt exports until October 15. Effective October 16, all cobalt exports from the DRC will be subject to a quota system until further notice.

Battery Metals Market Signals

Bear

- Prices edged down slightly. Mid-nickel production continued increasing, while high-nickel output declined.
- Domestic inventories remain near historical highs, but recent transfers from smelters to downstream customers has improved the inventory structure.
- Goldman Sachs lowered its 2026 lithium carbonate price forecast to \$8,900/ton (below the current \$9,150/ton), but expects prices to rise to \$9,100/ton in 2027 and \$9,500/ton in 2028.
- The Bandeira lithium project is expected to start production in H2 2026 with an annual output of 177,000 tons.

Others

- As of the week ending Sep 19th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 2,928,772 tons, down by 25.90% on the week. The open interest was 734,905 tons, down by 3.54% on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 38,484 tons last week, compared with 38,625 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	3,874	Sep-25	0.0%	0.0%	Sep-25	35,561	9,540	Sep-25	0.3%	0.6%
Oct-25	597	3,375	Oct-25	2.4%	-0.9%	Oct-25	40,124	9,650	Oct-25	7.7%	2.4%
Nov-25	574	3,202	Nov-25	-0.9%	-0.9%	Nov-25	40,124	9,650	Nov-25	7.7%	2.4%
Dec-25	663	2,543	Dec-25	-1.2%	-0.7%	Dec-25	40,124	9,650	Dec-25	7.7%	2.4%
Jan-26	676	2,737	Jan-26	15.0%	3.5%	Jan-26	40,653	9,950	Jan-26	6.6%	3.0%
Feb-26	586	2,649	Feb-26	15.4%	3.4%	Feb-26	40,653	10,000	Feb-26	6.6%	3.5%
Mar-26	717	2,471	Mar-26	12.0%	3.9%	Mar-26	40,653	10,000	Mar-26	6.6%	3.5%
Apr-26	401	1,365	Apr-26	6.6%	0.0%	Apr-26	40,896	10,080	Apr-26	5.1%	1.1%
May-26	401	1,438	May-26	6.6%	0.0%	May-26	40,896	10,090	May-26	5.0%	1.2%
Jun-26	327	1,871	Jun-26	8.3%	0.0%	Jun-26	40,896	10,110	Jun-26	4.9%	1.4%
Jul-26	326	1,445	Jul-26	12.0%	2.1%	Jul-26	41,050	10,230	Jul-26	4.6%	0.3%
Aug-26	307	1,228	Aug-26	12.9%	2.5%	Aug-26	41,270	10,280	Aug-26	5.1%	0.8%
Sep-26	348	1,210	Sep-26	11.2%	2.5%	Sep-26	41,491	10,300	Sep-26	5.6%	1.0%
Oct-26	453	1,191	Oct-26	-3.2%	0.0%	Oct-26	41,888	10,510	Oct-26	5.6%	0.7%
Nov-26	447	1,175	Nov-26	-3.2%	0.0%	Nov-26	41,888	10,540	Nov-26	5.6%	0.8%
Dec-26	523	1,175	Dec-26	-2.8%	0.0%	Dec-26	41,888	10,560	Dec-26	5.6%	0.7%
Jan-27	387	100	Jan-27	0.0%	0.0%	Jan-27	42,329	10,780	Jan-27	5.5%	0.9%
Feb-27	352	133	Feb-27	0.0%	0.0%	Feb-27	42,373	10,800	Feb-27	5.5%	0.9%
Mar-27	350	100	Mar-27	0.0%	0.0%	Mar-27	42,395	10,830	Mar-27	5.5%	0.9%
Apr-27	297	90	Apr-27	0.0%	0.0%	Apr-27	42,395	11,200	Apr-27	5.0%	1.8%

Source: CME

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