

Battery Metals Market Signals

Bull

- At present, both the power battery market and the energy storage market are still in a phase of rapid demand growth in China, which is conducive to the recent de-stocking of batteries.
- Three ministries in China including the Ministry of Industry and Information Technology (MIIT) have adjusted the technical requirements for new energy vehicles (NEVs) eligible for vehicle purchase tax reductions and exemptions for 2026-2027. As a result, a "rush purchase wave" may emerge in Q4 2025, accelerating the inventory clearance of existing NEV models.
- During the China National Day and Mid-Autumn Festival holidays, the charging capacity of new energy vehicles (NEVs) on expressways exceeded 120 million KWh, hitting a record high, up by 45.73% YoY.
- The Democratic Republic of the Congo (DRC) has unveiled cobalt export quotas as its cobalt export ban approaches expiration. Per the country's strategic mineral regulatory authority, miners will be permitted to ship over 18,000 tons of cobalt for the remainder of 2024, while the annual export quota is set at 96,600 tons for both 2026 and 2027.

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Bear

- In September 2025, China's monthly total output of lithium carbonate continued to hit a new high, with a month-on-month increase of 2% and a significant year-on-year surge of 52%. The main driver behind the sustained output growth remains the spodumene segment, as contract processing orders for non-integrated lithium salt enterprises are in full swing. Meanwhile, driven by the continued improvement in downstream demand, the overall supply capacity of the industry has also increased in tandem.
- New production lines have been put into operation for both the spodumene segment and the salt lake segment, and China's total lithium carbonate output is expected to still have growth potential in October.
- On October 9, 2025, China Ministry of Commerce (MOFCOM) and the General Administration of Customs (GAC) jointly issued Announcement No. 58 of 2025, deciding to impose export controls on items related to lithium batteries, cathode materials and graphite anode materials. This round of controls focuses on high-end lithium batteries and their associated materials, and does not cover the entire industrial chain.
- Zangge Mining announced that its wholly-owned subsidiary, Golmud Zangge Potash Co., Ltd., has recently received the Real Estate Title Certificate (Mining Right) and Mining Permit issued by China Ministry of Natural Resources. The market interprets this as a sign that the company will resume lithium ore production. In addition, Gotion High-Tech has currently obtained 3 mining permits, with another 2 still pending approval.

Others

- As of the week ending Sep 26th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 2,775,671 tons, down by 5.23% on the week. The open interest was 695,123 tons, down by 5.41% on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 42,669 tons last week, compared with 40,329 tons before China golden 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
Oct-25	594	3,397	Oct-25	0.0%	0.0%	Oct-25	43,453	9,550	Oct-25	3.2%	-0.5%
Nov-25	871	3,224	Nov-25	20.0%	-0.3%	Nov-25	47,620	9,580	Nov-25	5.0%	-0.5%
Dec-25	1,060	2,684	Dec-25	12.8%	1.5%	Dec-25	48,722	9,580	Dec-25	6.8%	-0.9%
Jan-26	690	2,779	Jan-26	4.4%	0.0%	Jan-26	48,458	9,680	Jan-26	4.7%	-0.5%
Feb-26	554	2,719	Feb-26	5.9%	1.3%	Feb-26	48,458	9,710	Feb-26	3.8%	-0.3%
Mar-26	684	2,553	Mar-26	1.3%	0.9%	Mar-26	48,458	9,790	Mar-26	3.7%	-0.3%
Apr-26	448	1,323	Apr-26	0.4%	1.1%	Apr-26	48,391	9,920	Apr-26	2.6%	-1.0%
May-26	445	1,406	May-26	0.5%	1.4%	May-26	48,436	10,100	May-26	2.7%	-0.2%
Jun-26	408	1,828	Jun-26	4.9%	0.6%	Jun-26	48,436	10,050	Jun-26	2.7%	-1.0%
Jul-26	341	1,515	Jul-26	3.0%	-1.3%	Jul-26	48,502	10,260	Jul-26	2.6%	-0.1%
Aug-26	353	1,263	Aug-26	2.9%	-0.8%	Aug-26	48,546	10,330	Aug-26	2.6%	-0.2%
Sep-26	369	1,235	Sep-26	2.8%	-1.2%	Sep-26	48,546	10,310	Sep-26	2.6%	-0.7%
Oct-26	434	1,256	Oct-26	-4.2%	3.3%	Oct-26	48,546	10,530	Oct-26	1.6%	0.2%
Nov-26	428	1,240	Nov-26	-4.3%	3.3%	Nov-26	48,568	10,600	Nov-26	1.6%	0.5%
Dec-26	504	1,240	Dec-26	-3.6%	3.3%	Dec-26	48,568	10,600	Dec-26	1.6%	0.2%
Jan-27	387	105	Jan-27	0.0%	5.0%	Jan-27	48,943	11,000	Jan-27	2.3%	1.4%
Feb-27	352	138	Feb-27	0.0%	3.8%	Feb-27	48,943	11,000	Feb-27	2.3%	1.1%
Mar-27	355	105	Mar-27	1.4%	5.0%	Mar-27	48,943	11,050	Mar-27	2.3%	1.4%
Apr-27	322	10	Apr-27	0.0%	-90.0%	Apr-27	48,898	11,300	Apr-27	1.2%	-0.4%
May-27	322	10	May-27	0.0%	-88.9%	May-27	48,898	11,400	May-27	1.0%	0.0%

Source: CME

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