

Battery Metals Market Signals

Bull

- The destocking pace of lithium carbonate accelerated notably in October and November. With inventories expected to be rapidly depleted, the market has shifted from a supply surplus to a tight balance.
- Lithium salt enterprises maintain frequent procurement inquiries and actively negotiate long-term forward orders, reflecting strong willingness to lock in supply amid rising market sentiment.
- Chilean lithium producer SQM reported on Wednesday that global lithium demand is expected to grow by 25% this year compared to 2024, driven by robust expansion in the new energy vehicle (NEV) and energy storage sectors.
- Ternary cathode material prices have surged significantly, with bulk orders being signed continuously. Some downstream battery enterprises have already locked in supply contracts for the early part of 2026 to mitigate cost volatility risks.
- Most lithium iron phosphate (LFP) producers are operating at full capacity, with production schedules continuously extended into subsequent months. This strong production momentum lays a solid foundation for steady demand in the first half of 2026.
- The price of lithium hexafluorophosphate (LiPF₆) has rebounded from RMB 49,500/ton in mid-July to RMB 152,000/ton, nearly tripling. The sharpest gains occurred in September, as insufficient production capacity led to a severe supply-demand imbalance and triggered a rapid price surge. Given that capacity expansion cannot be completed in the short term, the supply gap is expected to persist until Q1 2026.

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Bear

- While market sentiment is buoyant, following the successive sharp increases in lithium salt prices, downstream material plants have turned cautious lately, only purchasing to meet essential needs and leading to minimal market turnover.
- Goldman Sachs cut Ganfeng Lithium's H-share rating from "Neutral" to "Sell", citing poor short - term downstream market feedback and slowing inventory replenishment that pose downside risks to spot lithium prices. It forecasts a 12% global lithium supply shortage in H2 2025 versus demand, which will swing to a 10% surplus in H2 2026.
- Bloomberg reported that the major Chinese lithium mine project operated by CATL is preparing to restart production as early as early next month.
- Per SMM, lithium carbonate projects with a combined capacity of 255,000 tons are to start operations in December, involving companies such as Tianqi Lithium, Zijin Mining and Ganfeng Lithium.
- The UK government announced on November 22nd that it targets covering 10% of mineral demand via domestic production and 20% via recycling by 2035. It added that the country will produce no less than 50,000 tons of lithium by then, with around 50 million pounds in new government funds to back local firms.
- The Guangzhou Futures Exchange released a notice on November 20th, 2025 to adjust trading commissions and position limits for lithium carbonate futures contracts. The move aims to cool the overheated market by raising trading costs and capping positions, to prevent excessive speculation and protect industrial health.

Others

- As of the week ending Nov 21st, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 10,884,497 tons, up 76.30% on the week. The open interest was 998,213 tons, down 2.61% on the week, refreshed record high.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 27,170 tons last week, compared with 26,848 tons in 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
Nov-25	828	3,008	Nov-25	0.0%	0.0%	Nov-25	52,183	10,190	Nov-25	0.3%	1.3%
Dec-25	1,114	2,841	Dec-25	-4.1%	0.1%	Dec-25	53,352	10,700	Dec-25	-2.4%	0.7%
Jan-26	935	2,866	Jan-26	7.5%	-0.9%	Jan-26	57,298	10,990	Jan-26	0.9%	1.4%
Feb-26	877	2,819	Feb-26	8.5%	0.5%	Feb-26	57,298	10,990	Feb-26	0.2%	1.1%
Mar-26	887	2,699	Mar-26	4.1%	1.2%	Mar-26	57,320	11,000	Mar-26	0.2%	0.9%
Apr-26	573	1,392	Apr-26	2.0%	-0.7%	Apr-26	57,893	11,200	Apr-26	0.9%	-0.9%
May-26	560	1,491	May-26	2.0%	-0.7%	May-26	57,893	11,400	May-26	0.9%	4.2%
Jun-26	619	1,915	Jun-26	8.0%	-0.5%	Jun-26	57,893	11,600	Jun-26	0.8%	5.6%
Jul-26	367	1,574	Jul-26	0.0%	-1.5%	Jul-26	57,982	11,670	Jul-26	0.8%	4.5%
Aug-26	379	1,306	Aug-26	0.0%	-1.1%	Aug-26	58,048	11,700	Aug-26	0.9%	4.6%
Sep-26	395	1,371	Sep-26	0.0%	-1.1%	Sep-26	58,092	11,700	Sep-26	0.9%	4.3%
Oct-26	461	1,306	Oct-26	0.0%	-4.7%	Oct-26	58,268	12,140	Oct-26	0.7%	7.2%
Nov-26	455	1,276	Nov-26	0.0%	-5.0%	Nov-26	58,312	12,140	Nov-26	0.8%	5.2%
Dec-26	531	1,276	Dec-26	0.0%	-5.0%	Dec-26	58,378	12,140	Dec-26	0.9%	5.2%
Jan-27	403	125	Jan-27	0.2%	8.7%	Jan-27	58,555	12,450	Jan-27	0.8%	4.2%
Feb-27	358	148	Feb-27	-2.5%	0.0%	Feb-27	58,555	12,450	Feb-27	0.8%	3.3%
Mar-27	376	175	Mar-27	1.6%	6.1%	Mar-27	58,555	12,450	Mar-27	0.8%	2.9%
Apr-27	348	10	Apr-27	0.6%	0.0%	Apr-27	58,555	12,750	Apr-27	0.6%	4.1%
May-27	348	10	May-27	0.6%	0.0%	May-27	58,555	12,850	May-27	0.6%	4.5%
Jun-27	263	10	Jun-27	0.8%	0.0%	Jun-27	58,555	12,950	Jun-27	0.6%	4.9%
Jul-27	259	115	Jul-27	0.8%	0.0%	Jul-27	58,665	13,200	Jul-27	0.8%	5.6%
Aug-27	259	115	Aug-27	0.8%	0.0%	Aug-27	58,665	13,300	Aug-27	0.8%	5.6%
Sep-27	313	115	Sep-27	0.6%	0.0%	Sep-27	58,665	13,400	Sep-27	0.8%	5.5%

Source: CME

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