

Battery Metals Market Signals

Bull

- SMM's lithium carbonate sample inventory has been decreasing for 11 consecutive weeks. Last week, the inventory dropped by 3,008 tons to 127,358 tons.
- The production scheduling rate of energy storage cells has increased from 23% in June to 40.3% in October.
- A total of 89 companies have disclosed their third-quarter reports, according to data released by Chinese securities brokers. Their combined revenue for the first three quarters reached 779.6 billion yuan, representing a year-on-year growth of 13.50%.
- As the year-end approaches, downstream customers and traders have recently engaged in negotiations over long-term contracts, leading to increased market activity.
- Lithium mines have maintained firm prices recently, with reduced shipment volumes. In addition, holders of lithium products have shown a strong reluctance to sell.
- Demand for both power batteries and energy storage batteries has continued to exceed expectations and remains at a seasonal high, supporting demand for battery metals.

Battery Metals Market Signals

Bear

- Last week, due to rumors that CATL would resume production at its Jianxiawo plant, the futures market plummeted. However, it rebounded on Monday after the news was confirmed false. Currently, even if production were to resume as rumored, the weekly output of lithium carbonate equivalent (LCE) is estimated at 1,500 tons, while the weekly inventory drawdown has consistently exceeded 2,000 tons recently. Thus, the market remains in a tight balance.
- Last week, Hunan Jijiaoshan Lithium Mine obtained a mining license, with an approved annual output equivalent to 80,000 tons of LCE.
- According to the latest financial report disclosed by Liantown Resources, its Kathleen Valley project produced 87,200 tons of lithium concentrate in Q3 2025, a month-on-month increase of 1.5%. Shipments originally scheduled for the end of September were delayed due to seasonal factors, resulting in lower sales volume for the quarter. The 20,900 tons of inventory from this delay were shipped in October.
- Total output in October remained at a high level, mainly driven by increased capacity utilization rates at both Salt Lake-based and spodumene-based lithium carbonate producers.
- The rapidly increasing open interest and trading volume on GFEX indicate that speculative activity in lithium carbonate is growing. As a result, volatility has recovered since late October compared with Q3.

Others

- As of the week ending November 3, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 4,626,511 tons, up 85.34% from the previous week. Open interest was 883,092 tons, up 8.73% on the week.
- Registered warehouse warrants for lithium carbonate on the Guangzhou Futures Exchange totaled 27,621 tons last week, compared with 28,699 tons 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
Nov-25	833	3,019	Nov-25	0.0%	0.0%	Nov-25	53,087	10,100	Nov-25	-0.6%	3.1%
Dec-25	1,248	2,739	Dec-25	-3.3%	0.0%	Dec-25	55,116	10,250	Dec-25	0.0%	3.7%
Jan-26	873	2,852	Jan-26	3.4%	0.3%	Jan-26	56,813	10,370	Jan-26	-1.6%	2.7%
Feb-26	717	2,747	Feb-26	5.0%	-0.5%	Feb-26	56,813	10,450	Feb-26	-1.6%	3.5%
Mar-26	820	2,638	Mar-26	2.8%	-0.9%	Mar-26	56,813	10,520	Mar-26	-1.8%	3.2%
Apr-26	533	1,328	Apr-26	2.9%	-6.3%	Apr-26	57,254	10,650	Apr-26	-1.2%	2.0%
May-26	520	1,398	May-26	3.0%	-5.7%	May-26	57,276	10,700	May-26	-1.1%	1.9%
Jun-26	498	1,820	Jun-26	3.1%	-4.7%	Jun-26	57,276	10,800	Jun-26	-1.1%	2.4%
Jul-26	367	1,578	Jul-26	0.3%	2.2%	Jul-26	57,541	11,000	Jul-26	-0.9%	2.7%
Aug-26	379	1,292	Aug-26	0.3%	0.4%	Aug-26	57,585	11,000	Aug-26	-0.8%	2.4%
Sep-26	395	1,297	Sep-26	0.3%	1.6%	Sep-26	57,607	11,100	Sep-26	-0.8%	3.2%
Oct-26	461	1,301	Oct-26	0.0%	1.2%	Oct-26	57,871	11,200	Oct-26	-0.5%	1.4%
Nov-26	455	1,285	Nov-26	0.0%	1.2%	Nov-26	57,915	11,000	Nov-26	-0.5%	-0.5%
Dec-26	531	1,285	Dec-26	0.0%	1.2%	Dec-26	57,982	11,000	Dec-26	-0.5%	-0.7%
Jan-27	407	115	Jan-27	0.0%	9.5%	Jan-27	58,312	11,430	Jan-27	-0.5%	1.3%
Feb-27	372	148	Feb-27	0.0%	7.2%	Feb-27	58,312	11,450	Feb-27	-0.5%	1.3%
Mar-27	375	135	Mar-27	0.0%	28.6%	Mar-27	58,356	11,480	Mar-27	-0.4%	1.3%
Apr-27	329	10	Apr-27	0.0%	0.0%	Apr-27	58,378	11,650	Apr-27	-0.5%	-0.4%
May-27	329	10	May-27	0.0%	0.0%	May-27	58,422	11,800	May-27	-0.4%	0.4%
Jun-27	244	10	Jun-27	0.0%	0.0%	Jun-27	58,422	11,900	Jun-27	-0.4%	0.8%

Source: CME