

Battery Metals Market Signals

Bull

- As the year-end price negotiation window draws near, price increases for upstream lithium-ion battery materials in China have rippled through the downstream industrial chain. Driven by surging costs and robust demand, battery makers have either rolled out price hikes or entered talks with clients, marking a full-fledged shift in the industry's pricing landscape.
- Fu Linghui, spokesperson of the China National Bureau of Statistics, noted that in November, the output of new energy vehicles and automotive lithium-ion batteries registered year-on-year increases of 17% and 32.7%, respectively.
- Fueled by surging energy storage demand in North America, LG Energy Solution (LGES) recently announced that the annual capacity of its energy storage system (ESS) battery production lines under construction in the region will be expanded to 50 GWh, far exceeding the initial target of 30 GWh.
- As of the latest SMM weekly data released on December 14, 2025, China's total lithium carbonate inventory stood at 111,469 tonnes, down 2,133 tonnes month-on-month. Inventory is on track to hit the critical threshold for days of supply, after which supply shortages will intensify, further underpinning upward price momentum.
- According to a government circular reviewed by Reuters, cobalt exporters in the Democratic Republic of the Congo (DRC) must prepay a 10% mining royalty within 48 hours of receiving the invoice, while a mandatory Quota Verification Certificate (AVQ) has been introduced for cobalt shipments. No cargoes have been released since the export ban was lifted, so the market lacks evidence to support the view that short-term global supply has increased.
- China cobalt intermediates are not expected to arrive at ports sequentially until after March next year. The logic of structural tightness in raw materials remains unchanged, and prices still have upward support.

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Bear

- In China, with the gradual commissioning of some new production lines, domestic lithium carbonate output is expected to increase by approximately 3% month-on-month in December, and supply is being released steadily.
- Due to China's switch from a full new energy vehicle (NEV) purchase tax exemption to a 50% reduction policy, the production pace of models equipped with ternary power cells has slowed. This has dragged down demand for ternary power cells, and their output is projected to see a modest concurrent decline.
- Last week, a number of lithium hydroxide smelting enterprises trimmed their output moderately in line with evolving market dynamics.

Others

- As of the week ending December 12, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 4,092,362 tons, down 8.61% week-on-week. Open interest was 1,055,570 tons, down 0.31% week-on-week.
- Registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 15,050 tons last week, compared with 10,922 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
Dec-25	763	2,834	Dec-25	0.0%	0.0%	Dec-25	53,484	10,400	Dec-25	0.6%	0.9%
Jan-26	971	2,809	Jan-26	4.0%	-0.5%	Jan-26	57,982	11,330	Jan-26	1.5%	5.1%
Feb-26	992	2,729	Feb-26	3.3%	-0.3%	Feb-26	57,982	11,330	Feb-26	1.5%	4.9%
Mar-26	1,217	2,695	Mar-26	9.8%	2.0%	Mar-26	57,982	11,540	Mar-26	1.5%	6.9%
Apr-26	729	1,405	Apr-26	20.9%	-1.0%	Apr-26	58,974	11,840	Apr-26	1.5%	4.8%
May-26	730	1,472	May-26	20.9%	-2.5%	May-26	58,974	11,840	May-26	1.5%	4.7%
Jun-26	792	1,877	Jun-26	18.0%	-1.9%	Jun-26	58,974	11,840	Jun-26	1.5%	4.7%
Jul-26	397	1,571	Jul-26	8.2%	0.3%	Jul-26	59,040	12,150	Jul-26	1.1%	3.8%
Aug-26	539	1,380	Aug-26	5.9%	0.4%	Aug-26	59,084	12,250	Aug-26	1.1%	4.7%
Sep-26	494	1,441	Sep-26	6.5%	0.3%	Sep-26	59,150	12,350	Sep-26	1.1%	5.6%
Oct-26	575	1,294	Oct-26	11.7%	-0.5%	Oct-26	59,525	12,650	Oct-26	1.7%	5.6%
Nov-26	569	1,254	Nov-26	11.8%	-0.9%	Nov-26	59,591	12,700	Nov-26	1.7%	5.4%
Dec-26	676	1,249	Dec-26	9.7%	-1.3%	Dec-26	59,635	12,800	Dec-26	1.7%	5.5%
Jan-27	426	135	Jan-27	2.4%	8.0%	Jan-27	60,032	13,100	Jan-27	1.6%	6.1%
Feb-27	381	158	Feb-27	2.7%	6.8%	Feb-27	60,076	13,200	Feb-27	1.7%	6.0%
Mar-27	399	185	Mar-27	2.6%	5.7%	Mar-27	60,142	13,300	Mar-27	1.8%	6.0%
Apr-27	358	10	Apr-27	2.9%	0.0%	Apr-27	60,407	13,600	Apr-27	2.0%	6.3%
May-27	358	10	May-27	2.9%	0.0%	May-27	60,407	13,700	May-27	1.9%	6.6%
Jun-27	273	10	Jun-27	3.8%	0.0%	Jun-27	60,407	13,800	Jun-27	1.8%	7.0%
Jul-27	259	115	Jul-27	0.0%	0.0%	Jul-27	60,407	14,100	Jul-27	1.7%	6.8%
Aug-27	259	115	Aug-27	0.0%	0.0%	Aug-27	60,407	14,200	Aug-27	1.7%	6.8%
Sep-27	313	115	Sep-27	0.0%	0.0%	Sep-27	60,517	14,300	Sep-27	1.8%	6.7%

Source: CME

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