

Battery Metals Market Signals

Bull

- Last week, the front-month GFEX Lithium Carbonate contract rebounded 24.16% weekly, marking the fastest rebound since its listing, thus driving a rally across the entire battery industrial chain.
- Recently, whenever prices decline, upstream lithium salt producers have shown reluctance to sell spot orders. With subsequent continuous price rebounds, some upstream enterprises have enhanced their quoting and shipment willingness, while downstream material manufacturers' procurement activities have gradually become active.
- Recently, downstream demand is mainly driven by rigid needs and inventory replenishment preparations for February, boosting the overall inquiry and transaction activity in the market.
- Although nickel sulfate prices have declined recently, the drop has been offset by the strong rebound in lithium salt prices. As a result, the cost of ternary cathode materials has not changed significantly. Affected by the upcoming cancellation or phasing-out of the export tax rebate policy for cathodes and batteries in China, manufacturers targeting overseas markets are accelerating their production schedules.
- China's imports of cobalt hydrometallurgical intermediates totaled approximately 1,879 physical tons in December 2025, down 65% month-on-month and 96% year-on-year. Of this total, imports from the DRC stood at around 1,162 physical tons, falling 72% month-on-month and 98% year-on-year.
- Small-batch pilot cargo export approvals were granted in the DRC in mid-January, with the remaining enterprises advancing the process at a gradual pace. However, given the lengthy export procedures under the current quota policy and the nearly three-month shipping cycle from the DRC to China, China's imports of cobalt intermediates are expected to remain at a persistently low level until April 2026.

Battery Metals Market Signals

Bear

- Since the start of January, production losses in the lithium iron phosphate (LFP) sector have continued to widen. Consequently, purchases of lithium carbonate in February are expected to be based primarily on actual demand.
- China's total nickel sulfate imports reached 7,488 metal tons in December 2025, up 7% month-on-month and 46% year-on-year. A significant short-term increase in nickel sulfate supply has led to a weakening in its prices.
- Integrated hexafluorophosphate lithium enterprises have accelerated the release of their own production line capacity and raised operating rates, significantly easing the tight supply situation. To avoid the risk of price declines, traders who hoarded goods earlier have taken the lead in cutting prices to ship products and recover funds, further expanding the market supply capacity.
- The Ministry of Industry and Information Technology (MIIT), together with five other departments jointly issued recycle policies for NEVs, which in long run help China's power battery industry to increase recycle efficiency and form a sustainable industrial chain.

Others

- As of the week ending Jan 23rd, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 2,614,248 tons, down 33.44% on the week. The open interest was 859,215 tons, down 4.02% on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 28,156 tons last week, compared with 27,428 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
Jan-26	935	2,634	Jan-26	0.0%	0.0%	Jan-26	56,416	18,390	Jan-26	0.2%	2.6%
Feb-26	1,000	2,500	Feb-26	0.0%	0.0%	Feb-26	57,100	22,150	Feb-26	-2.1%	16.6%
Mar-26	1,306	2,808	Mar-26	2.0%	-1.9%	Mar-26	57,232	22,700	Mar-26	-2.8%	20.1%
Apr-26	962	2,135	Apr-26	-3.0%	7.1%	Apr-26	57,937	22,950	Apr-26	-3.7%	19.8%
May-26	830	2,102	May-26	-5.7%	7.5%	May-26	57,937	23,150	May-26	-4.1%	20.0%
Jun-26	911	2,328	Jun-26	-5.3%	7.8%	Jun-26	57,937	23,300	Jun-26	-4.1%	19.6%
Jul-26	418	1,582	Jul-26	1.2%	-8.8%	Jul-26	58,180	23,450	Jul-26	-3.7%	18.7%
Aug-26	554	1,393	Aug-26	0.9%	3.3%	Aug-26	58,290	23,700	Aug-26	-3.5%	19.7%
Sep-26	514	1,509	Sep-26	1.0%	3.1%	Sep-26	58,400	23,850	Sep-26	-3.3%	20.2%
Oct-26	570	1,302	Oct-26	0.0%	-4.0%	Oct-26	58,731	24,000	Oct-26	-4.4%	18.9%
Nov-26	564	1,246	Nov-26	0.0%	-1.7%	Nov-26	58,775	24,200	Nov-26	-4.4%	21.4%
Dec-26	671	1,241	Dec-26	0.0%	-1.7%	Dec-26	58,885	24,060	Dec-26	-4.4%	20.7%
Jan-27	426	136	Jan-27	0.0%	0.0%	Jan-27	59,415	24,500	Jan-27	-3.4%	20.1%
Feb-27	381	158	Feb-27	0.0%	0.0%	Feb-27	59,481	25,100	Feb-27	-3.3%	23.0%
Mar-27	399	185	Mar-27	0.0%	0.0%	Mar-27	59,525	25,100	Mar-27	-3.2%	22.4%
Apr-27	368	10	Apr-27	0.0%	0.0%	Apr-27	59,855	25,000	Apr-27	-4.2%	20.5%
May-27	368	10	May-27	0.0%	0.0%	May-27	59,922	25,150	May-27	-4.1%	20.3%
Jun-27	283	10	Jun-27	0.0%	0.0%	Jun-27	59,966	25,300	Jun-27	-4.2%	20.2%
Jul-27	259	115	Jul-27	0.0%	0.0%	Jul-27	60,296	25,550	Jul-27	-4.0%	20.0%
Aug-27	259	115	Aug-27	0.0%	0.0%	Aug-27	60,362	25,700	Aug-27	-4.0%	19.8%
Sep-27	313	115	Sep-27	0.0%	0.0%	Sep-27	60,407	25,850	Sep-27	-4.0%	19.7%
Oct-27	283	115	Oct-27	0.0%	0.0%	Oct-27	60,737	26,100	Oct-27	-3.9%	20.0%

Source: CME

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Edited by: Hao Pei, Senior Research Analyst

CONTACT

Paul Geddes
PaulG@freightinvestor.com
m: (+44) 7745644966

Federico Picciolini
FedericoP@freightinvestor.com
m: (+44) 7543223444

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