

Battery Metals Market Signals

Bull

- Lithium salt downstream purchasing was cautious and the market stayed on the sidelines at the start of the week with prices at highs. As lithium salt prices kept falling from peaks, downstream material makers' procurement appetite rose gradually. Especially at relatively low-price levels, spot scattered orders for rigid demand and February stocking increased, boosting active market inquiry and trading. Upstream lithium salt makers adjusted their quotes and shipment willingness flexibly with futures price moves.
- Available circulating supplies in the cobalt intermediate market remain tight, and holders are resolute in maintaining their asking prices.
- Approaching the pre-Chinese New Year procurement window, some battery manufactures have fresh procurement demand, while those fully stocked for the holiday stay on the sidelines amid sharp nickel price volatility, with low acceptance of high-priced nickel salts.
- Several battery manufacturers have decided to suspend the signing of long-term agreements in China, instead adopting monthly or quarterly short-term orders as an interim solution. The discounts corresponding to such short-term orders have generally risen compared with last year, and the processing fees for some leading manufacturers have also increased accordingly.

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Bear

- Following this round of gains, the metal price spread between electrolytic cobalt and cobalt salts has been essentially erased, closing the anti- arbitrage window. In the absence of fresh driving factors, prices are expected to trade sideways in a range in the short term.
- China imported 23,989 tonnes of lithium carbonate in December, representing a 9% month-on-month increase and a 14% year-on-year decrease.
- The sustained rise in ternary material prices has dented procurement appetite among downstream cell manufacturers and coupled with the traditional off-season at the start of the year, overall order volumes have retreated.
- Sigma Lithium said mine resumption is on track for January 2026 completion, and firmly refuted media reports that falsely labeled a Brazilian labor ministry's administrative procedure over its waste piles as an "operational ban" as "fake news".
- Dazhong Mining announced that its subsidiary Dazhong New Energy's Ecological Restoration Plan for Jiada Lithium Mine Area has passed the Ministry of Natural Resources' expert review. The approved 2.6Mtpa mining scale is expected to yield ~50ktpa lithium carbonate at full capacity.

Others

- As of the week ending Jan 30th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 466,376 tons, down 38.73% on the week. The open interest was 728,789 tons, up 0.80% on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 30,631 tons last week, compared with 28,156 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	56,482	18,180	Jan-26	0.1%	-1.1%
Feb-26	1,000	2,527	Feb-26	0.0%	1.1%	Feb-26	56,835	18,500	Feb-26	-0.5%	-16.5%
Mar-26	1,193	2,965	Mar-26	-8.7%	5.6%	Mar-26	56,725	18,150	Mar-26	-0.9%	-20.0%
Apr-26	1,024	2,133	Apr-26	6.4%	-0.1%	Apr-26	56,967	18,430	Apr-26	-1.7%	-19.7%
May-26	1,103	2,086	May-26	32.9%	-0.8%	May-26	56,703	18,540	May-26	-2.1%	-19.9%
Jun-26	930	2,296	Jun-26	2.1%	-1.4%	Jun-26	56,703	18,470	Jun-26	-2.1%	-20.7%
Jul-26	453	1,542	Jul-26	8.4%	-2.5%	Jul-26	56,989	18,500	Jul-26	-2.0%	-21.1%
Aug-26	589	1,369	Aug-26	6.3%	-1.7%	Aug-26	56,989	18,700	Aug-26	-2.2%	-21.1%
Sep-26	549	1,474	Sep-26	6.8%	-2.3%	Sep-26	56,989	18,800	Sep-26	-2.4%	-21.2%
Oct-26	598	1,166	Oct-26	4.9%	-10.4%	Oct-26	57,320	19,800	Oct-26	-2.4%	-17.5%
Nov-26	592	1,117	Nov-26	5.0%	-10.4%	Nov-26	57,320	19,800	Nov-26	-2.5%	-18.2%
Dec-26	699	1,110	Dec-26	4.2%	-10.6%	Dec-26	57,320	19,800	Dec-26	-2.7%	-17.7%
Jan-27	436	136	Jan-27	2.3%	0.0%	Jan-27	57,673	19,800	Jan-27	-2.9%	-19.2%
Feb-27	391	158	Feb-27	2.6%	0.0%	Feb-27	57,783	19,800	Feb-27	-2.9%	-21.1%
Mar-27	409	185	Mar-27	2.5%	0.0%	Mar-27	57,893	19,800	Mar-27	-2.7%	-21.1%
Apr-27	393	10	Apr-27	6.8%	0.0%	Apr-27	58,246	20,100	Apr-27	-2.7%	-19.6%
May-27	393	10	May-27	6.8%	0.0%	May-27	58,290	20,250	May-27	-2.7%	-19.5%
Jun-27	308	10	Jun-27	8.8%	0.0%	Jun-27	58,356	20,400	Jun-27	-2.7%	-19.4%
Jul-27	262	115	Jul-27	1.2%	0.0%	Jul-27	58,863	20,700	Jul-27	-2.4%	-19.0%
Aug-27	262	115	Aug-27	1.2%	0.0%	Aug-27	58,863	20,800	Aug-27	-2.5%	-19.1%
Sep-27	316	115	Sep-27	1.0%	0.0%	Sep-27	58,863	20,900	Sep-27	-2.6%	-19.1%
Oct-27	283	115	Oct-27	0.0%	0.0%	Oct-27	59,172	21,100	Oct-27	-2.6%	-19.2%

Source: CME

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