

**Battery Metals Market Signals****Bull**

- Nickel sulphate prices have corrected amid a sharp pullback in nickel prices, leading to a mild decline in NCM precursor prices. For February NCM precursor orders, some producers prefer to maintain existing discounts ahead of the Chinese New Year holiday without further adjustments for the time being, with negotiations to resume after the holiday.
- China Huadian Corporation Ltd. has officially issued its 2026 framework procurement tender announcement for lithium iron phosphate (LFP) electrochemical energy storage systems. The estimated total procurement capacity under this framework is as high as 12 GWh, an increase of 6 GWh compared with the previous year.
- On February 2, 2026, US President Donald Trump announced the launch of Project Vault, a \$12 billion strategic critical mineral reserve program. It introduces a private - sector reserve mechanism to build reliable inventories of nickel, cobalt, lithium, rare earths and other resources essential to US industries such as automotive, electronics, batteries and aerospace.
- China National Development and Reform Commission (NDRC) and the National Energy Administration (NEA) issued the Notice on Improving the Generation-Side Capacity Electricity Price Mechanism on January 30, 2026. This document marks the expansion of China's generation-side capacity electricity price mechanism from coal power to diversified regulating power sources.

## Battery Metals Market Signals

### Bear

- Lithium carbonate and lithium hydroxide have fallen sharply, driven by a rapid correction in international metals. Once the correction in the metals sector stalls, however, prices are expected to return to range-bound trading. Some integrators and cell manufacturers have been actively purchasing, locking in raw material costs in advance through customer-supplied material arrangements. Seasonal pullbacks in February production schedules are expected to be relatively notable.
- Demand for energy storage cells remains stable, while sales expectations for the power battery sector are weakening.
- Cobalt metal prices have corrected amid volatile market liquidity and the spillover from a broad-based decline in other base metals. However, cobalt intermediates have yet to arrive in large volumes, leaving upstream raw material supply tight.
- In January, output of large-format battery cells saw a notable increase, driven by ramp-up of new capacity from multiple manufacturers.
- Lithium hexafluorophosphate (LiPF<sub>6</sub>) has fallen 27% from its December high amid ample market supply. Demand for VC solvent remains weak, with prices also declining steadily. Driven by the overall drop on the cost side, electrolyte prices have continued to move lower.

### Others

- As of the week ending Feb 6th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 3,537,740 tons, down 4.13% on the week. The open interest was 638,582 tons, down 11.68% on the week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 33,777 tons last week, compared with 30,631 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

OI / lots	Cobalt Metal	Lithium Hydro	OI WoW %	Cobalt Metal	Lithium Hydro	Price	Cobalt Metal	Lithium Hydro	Price WoW %	Cobalt Metal \$/mt	Lithium Hydro \$/mt
Feb-26	1000	2524	Feb-26	0.0%	-0.1%	Feb-26	56,482	18,180	Feb-26	-0.6%	-1.7%
Mar-26	1227	2784	Mar-26	2.8%	-6.1%	Mar-26	56,835	18,500	Mar-26	0.2%	1.9%
Apr-26	995	2157	Apr-26	-2.8%	1.1%	Apr-26	56,725	18,150	Apr-26	-0.4%	-1.5%
May-26	1072	2100	May-26	-2.8%	0.7%	May-26	56,967	18,430	May-26	0.5%	-0.6%
Jun-26	928	2295	Jun-26	-0.2%	0.0%	Jun-26	56,703	18,540	Jun-26	0.0%	0.4%
Jul-26	483	1463	Jul-26	6.6%	-5.1%	Jul-26	56,703	18,470	Jul-26	-0.5%	-0.2%
Aug-26	619	1399	Aug-26	5.1%	2.2%	Aug-26	56,989	18,500	Aug-26	0.0%	-1.1%
Sep-26	579	1504	Sep-26	5.5%	2.0%	Sep-26	56,989	18,700	Sep-26	0.0%	-0.5%
Oct-26	598	1166	Oct-26	0.0%	0.0%	Oct-26	56,989	18,800	Oct-26	-0.6%	-5.1%
Nov-26	592	1122	Nov-26	0.0%	0.4%	Nov-26	57,320	19,800	Nov-26	0.0%	0.0%
Dec-26	699	1115	Dec-26	0.0%	0.5%	Dec-26	57,320	19,800	Dec-26	0.0%	0.0%
Jan-27	436	136	Jan-27	0.0%	0.0%	Jan-27	57,320	19,800	Jan-27	-0.6%	0.0%
Feb-27	391	158	Feb-27	0.0%	0.0%	Feb-27	57,673	19,800	Feb-27	-0.2%	0.0%
Mar-27	409	185	Mar-27	0.0%	0.0%	Mar-27	57,783	19,800	Mar-27	-0.2%	0.0%
Apr-27	393	20	Apr-27	0.0%	100.0%	Apr-27	57,893	19,800	Apr-27	-0.6%	-1.5%
May-27	393	20	May-27	0.0%	100.0%	May-27	58,246	20,100	May-27	-0.1%	-0.7%
Jun-27	308	20	Jun-27	0.0%	100.0%	Jun-27	58,290	20,250	Jun-27	-0.1%	-0.7%
Jul-27	267	115	Jul-27	1.9%	0.0%	Jul-27	58,356	20,400	Jul-27	-0.9%	-1.4%
Aug-27	267	115	Aug-27	1.9%	0.0%	Aug-27	58,863	20,700	Aug-27	0.0%	-0.5%
Sep-27	321	115	Sep-27	1.6%	0.0%	Sep-27	58,863	20,800	Sep-27	0.0%	-0.5%
Oct-27	283	115	Oct-27	0.0%	0.0%	Oct-27	58,863	20,900	Oct-27	-0.5%	-0.9%
Nov-27	285	115	Nov-27	0.0%	0.0%	Nov-27	59,172	21,100	Nov-27	-0.1%	-0.5%

Source: CME

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