

## Battery Metals Market Signals

### Bull

- China sold 43,900 pure electric heavy trucks in Q1 2026, up roughly 20% year on year, accounting for 13.9% of total heavy truck sales.
- Investment bank reports suggest that if diesel prices stay elevated in Q2 2026, spodumene producers may lift prices by \$30 to offset rising costs.
- In major lithium salt-producing areas of Jiangxi, some mines are set to suspend production from May due to environmental rectification and mining license renewals, constraining near-term output.
- Coupled with Zimbabwe's spodumene export ban and diesel supply risks at Australian mines, global raw material supply remains tight.
- China's total battery production schedule for April reached 235 GWh, with energy storage accounting for 41.3%. Q1 energy storage shipments hit 215 GWh, up 139% year on year. The rapidly rising share of energy storage is expected to become the main driver of battery and lithium salt demand.
- The DRC's cobalt export quota for Q1 2026 has been extended to the end of June, with large-scale arrivals delayed to June–July. Global cobalt inventories are at historic lows.
- China's LFP production schedules in April saw a slight month-on-month rise and a sharp year-on-year surge, continuing to boost lithium carbonate demand.
- Leading listed Chinese battery makers posted a sharp profit increase in Q1. CATL's net profit attributable to shareholders reached 20.7 billion yuan, up 48.52% year on year.
- Germany adopted the 2026 Climate Action Plan, adding an extra €8 billion for new energy vehicle subsidies. The UK also imposed zero tariffs on 33 categories of offshore wind components.
- Spodumene shipments from Australia's Bunbury port fell month on month in April.
- Spodumene exports from Nigeria may decline due to port container shortages.

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### Bear

- Some domestic downstream enterprises show low acceptance of high-priced lithium carbonate. The basis weakened after futures rallied, suggesting potential bubble squeezing once speculative sentiment fades.
- Lithium Industry Branch of China Nonferrous Metals Industry Association: National lithium carbonate output reached approximately 87,000 tonnes in March, up 10.7% month on month.
- The growing market share of lithium iron phosphate (LFP) has weighed on demand for NCM/NCA materials, putting medium-term pressure on lithium hydroxide demand. Medium- and low-nickel ternary battery capacity is currently in surplus.
- Demand for lithium hydroxide from Japan and South Korea dropped sharply in the first three months of this year due to tariff pressures and cost-cutting efforts.
- If shipping lanes in the Middle East return to normal operation, prices of materials such as sulphur used in LFP production will face downward pressure. Meanwhile, improved profitability at LFP producers could create room for price cuts.

### Others

- As of the week ending 17 April, weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 1,656,508 tonnes, up 18.97% week on week. The open interest stood at 726,667 tonnes, up 18.12% week on week.
- Registered warehouse warrants for lithium carbonate on the Guangzhou Futures Exchange stood at 30,023 tonnes last week, compared with 36,403 tonnes the previous week.

Sources: China Passenger Car Association, Bloomberg, China Customs, Guangzhou Futures Exchange, FIS, China National Bureau of Statistics, CME, Fastmarket.

## 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
Apr-26	944	1950	Apr-26	-1.0%	-5.9%	Apr-26	58,004	20,590	Apr-26	0.2%	5.1%
May-26	957	1825	May-26	0.7%	-10.5%	May-26	57,166	21,480	May-26	1.2%	9.3%
Jun-26	1429	2194	Jun-26	-0.7%	-4.2%	Jun-26	57,056	21,820	Jun-26	1.6%	9.5%
Jul-26	890	2452	Jul-26	0.5%	6.7%	Jul-26	56,504	22,040	Jul-26	2.1%	11.0%
Aug-26	905	1849	Aug-26	0.4%	6.4%	Aug-26	56,394	22,020	Aug-26	1.9%	9.9%
Sep-26	884	2022	Sep-26	0.5%	8.9%	Sep-26	56,328	21,980	Sep-26	1.8%	9.6%
Oct-26	623	1305	Oct-26	0.0%	3.4%	Oct-26	55,997	22,600	Oct-26	1.6%	10.2%
Nov-26	602	1219	Nov-26	0.0%	3.7%	Nov-26	55,953	22,600	Nov-26	1.5%	9.5%
Dec-26	709	1248	Dec-26	0.0%	5.1%	Dec-26	55,953	22,360	Dec-26	1.5%	9.3%
Jan-27	419	268	Jan-27	-2.1%	17.5%	Jan-27	55,931	22,900	Jan-27	1.6%	9.8%
Feb-27	374	292	Feb-27	-2.3%	16.8%	Feb-27	55,975	22,980	Feb-27	1.7%	10.2%
Mar-27	392	324	Mar-27	-0.5%	15.7%	Mar-27	56,041	23,050	Mar-27	1.8%	10.0%
Apr-27	413	20	Apr-27	0.0%	0.0%	Apr-27	56,041	23,350	Apr-27	1.2%	8.6%
May-27	413	20	May-27	0.0%	0.0%	May-27	56,086	23,500	May-27	1.2%	9.6%
Jun-27	318	20	Jun-27	0.0%	0.0%	Jun-27	56,152	23,650	Jun-27	1.1%	9.7%
Jul-27	267	115	Jul-27	-3.6%	0.0%	Jul-27	56,659	23,800	Jul-27	1.4%	9.2%
Aug-27	267	115	Aug-27	-3.6%	0.0%	Aug-27	56,659	23,950	Aug-27	1.2%	9.4%
Sep-27	316	115	Sep-27	-3.1%	0.0%	Sep-27	56,659	24,100	Sep-27	1.1%	9.5%
Oct-27	293	115	Oct-27	0.0%	0.0%	Oct-27	56,725	24,250	Oct-27	0.6%	9.0%
Nov-27	295	115	Nov-27	0.0%	0.0%	Nov-27	56,769	24,400	Nov-27	0.6%	9.2%
									Oct-27	-1.8%	7.9%

Source: CME

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