

Battery Metals Market Signals

Bull

- China imported 1.218 million tonnes of lithium spodumene concentrate in April, down 3.7% month-on-month; imports from Zimbabwe slumped 41.2% month-on-month.
- China's lithium salt (lepidolite) production operated at 40% capacity in May, down 5% year-on-year; low-margin plants continued to reduce operating rates.
- The operating rate of lithium carbonate smelters edged slightly lower in early May month-on-month, as small and medium-sized smelters initiated voluntary production cuts amid spodumene feedstock shortages.
- Data from major institutions showed significant monthly growth in LFP (lithium iron phosphate) production in China, but zero growth in ternary (NCM/NCA) cathode materials.
- China's power battery production scheduling rose 8% month-on-month in May.

Bear

- China social inventories of lithium carbonate have built up from late April to early May, with industry destocking momentum largely stalling.
- China's net exports of lithium hydroxide fell 35% year-on-year, while its net imports surged 282% year-on-year.
- Recycled lithium carbonate output rose in May, and prices of recycled raw materials moved lower in tandem with primary lithium feedstocks.
- Multiple African countries have accelerated approval and EIA procedures for lithium mine projects, adding mounting medium-to-long-term supply pressure to the global lithium market.
- Lithium mine and lithium salt projects backed by North America's IRA policy continue to advance and get commissioned, paving the way for gradual capacity release ahead.
- Global lithium brine production is set for phased regional expansion in 2026: South American salt lake projects are concentrated in Q2 start-ups, while Chinese brine facilities enter a peak commissioning phase in Q3, jointly driving a notable supply increase in the second half of the year.

Others

- As of the week ending May 8th, the weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 899,594 tons, down 28.05% from the previous week. The open interest was 777,527 tons, up 2.42% from the previous week.
- The registered warehouse warrants of lithium carbonate on the Guangzhou Futures Exchange were 38,012 tons last week, compared with 43,930 tons in previous week.

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
May-26	953	1880	May-26	0.0%	0.0%	May-26	57,827	22,310	May-26	0.1%	7.0%
Jun-26	1277	2180	Jun-26	-1.2%	1.6%	Jun-26	58,974	22,680	Jun-26	0.8%	3.1%
Jul-26	1065	2622	Jul-26	2.0%	0.8%	Jul-26	60,958	23,640	Jul-26	2.2%	4.4%
Aug-26	1024	2072	Aug-26	1.8%	1.5%	Aug-26	60,958	23,640	Aug-26	2.7%	4.0%
Sep-26	985	2280	Sep-26	2.5%	1.7%	Sep-26	60,958	23,640	Sep-26	2.3%	4.0%
Oct-26	637	1295	Oct-26	-2.5%	0.4%	Oct-26	61,046	24,280	Oct-26	2.4%	5.7%
Nov-26	616	1211	Nov-26	-2.5%	0.4%	Nov-26	61,112	24,300	Nov-26	2.4%	5.4%
Dec-26	723	1268	Dec-26	-2.2%	0.4%	Dec-26	61,156	24,330	Dec-26	2.4%	5.2%
Jan-27	445	382	Jan-27	5.0%	0.0%	Jan-27	61,399	24,780	Jan-27	2.4%	5.9%
Feb-27	400	407	Feb-27	5.5%	0.0%	Feb-27	61,509	24,800	Feb-27	2.4%	5.6%
Mar-27	388	439	Mar-27	-1.0%	0.0%	Mar-27	61,619	24,830	Mar-27	2.4%	5.4%
Apr-27	403	20	Apr-27	-2.4%	0.0%	Apr-27	61,729	25,280	Apr-27	2.4%	6.7%
May-27	403	20	May-27	-2.4%	0.0%	May-27	61,840	25,300	May-27	2.4%	6.3%
Jun-27	308	20	Jun-27	-3.1%	0.0%	Jun-27	61,950	25,150	Jun-27	2.6%	3.1%
Jul-27	270	115	Jul-27	0.0%	0.0%	Jul-27	62,060	25,550	Jul-27	2.4%	4.1%
Aug-27	270	115	Aug-27	0.0%	0.0%	Aug-27	62,170	25,600	Aug-27	2.4%	4.1%
Sep-27	316	115	Sep-27	0.0%	0.0%	Sep-27	62,281	25,650	Sep-27	2.4%	3.6%
Oct-27	299	115	Oct-27	0.0%	0.0%	Oct-27	62,391	26,050	Oct-27	2.4%	4.6%
Nov-27	301	115	Nov-27	0.0%	0.0%	Nov-27	62,501	26,100	Nov-27	2.3%	4.2%
Dec-27	247	115	Dec-27	0.0%	0.0%	Dec-27	62,611	26,150	Dec-27	2.3%	3.8%

Source: CME

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