

Lithium Salt and Spodumene Market:

- **FastMarket Lithium Hydroxide/Lithium Carbonate:** Our view is short-run **Neutral**. GFEX lithium carbonate warehouse receipts have declined from the peak of 57,000 lots to 53,000 lots. Some traders took delivery amid price drops, easing delivery inventory pressure. Lithium carbonate prices are supported to rebound by multiple bullish fundamentals, including sustained industry destocking, slow production recovery of Jiangxi lithium mines, supply disruptions from salt lake maintenance, and eased geopolitical risks.
- **FastMarket Spodumene:** Our view is short-run **Neutral**. Resumed African spodumene exports and lithium salt mills' resistance to high-priced spodumene triggered a sharp correction in spodumene prices.

Prices Movement:

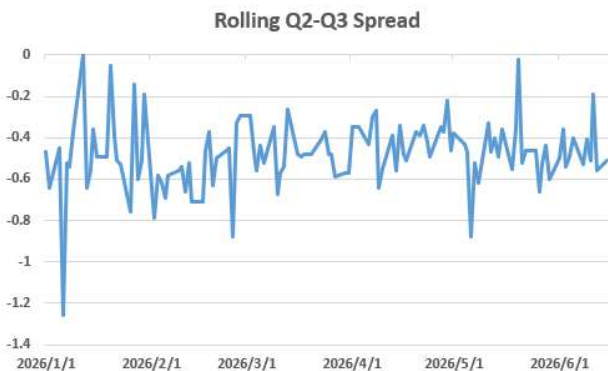
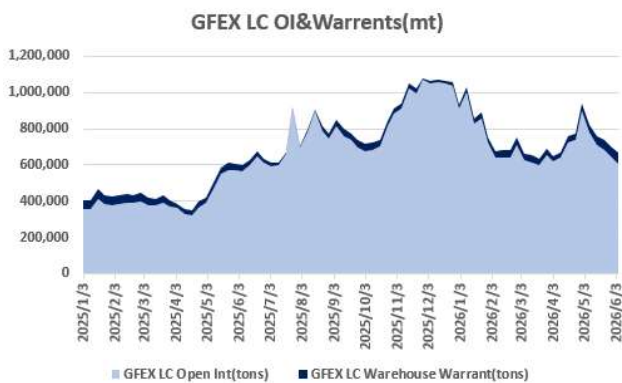
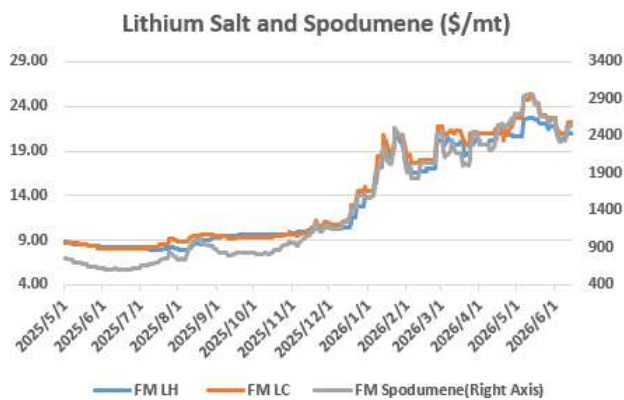
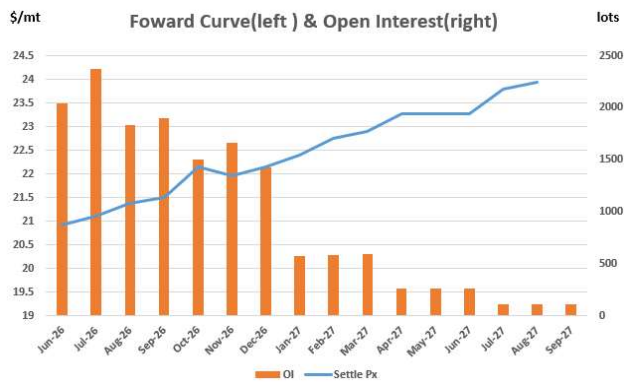
	15 Jun	8 Jun	Changes %	FIS Sentiment
FastMarket Lithium Hydroxide Monohydrate CIF China, Japan & Korea (\$/kg)	21.00	20.50	+ 2.44%	Neutral
FastMarket Lithium Carbonate Spot CIF China, Japan & Korea (\$/kg)	22.25	21.00	+ 5.95%	Neutral
Bloomberg Lithium Carbonate Spot China (yuan/ton)	165500.0	162500.0	+ 1.85%	Neutral
FastMarket Cobalt 30% (\$/lbs)	25.30	25.88	- 2.24%	Neutral
FastMarket Spodumene min 6% Asia (\$/ton)	2575.00	2340.00	+ 10.04%	Neutral

Commentary:

Market moves in June were largely in line with expectations: lithium carbonate rebounded after corrections with shrinking volatility ranges, while spodumene stabilised in tandem.

On the macro front, the US and Iran signed a temporary ceasefire memorandum, driving divergent performance across base metals. Capital rotated out of oil & chemical assets into new-energy metals. Equities staged a sharp rally, restoring risk appetite in secondary markets. The Regulations for the Implementation of the China Mineral Resources Law took official effect, covering 36 critical minerals including rare earths, tungsten, lithium, cobalt, gallium and germanium to the national strategic mineral catalogue. Multiple nations have rolled out stricter export restrictions recently amid rising resource protectionism, lifting the long-term valuation floor for metals.

Expectations for the resumption of the Jiangxi Jianxiawo mine weakened further last week. The preliminary land-use review and site selection approval for the mine's construction project were revoked, scrapping the original large-scale capacity plan targeting an annual output of 150,000 tons of lithium carbonate; a restart in 2026 looks highly unlikely. Two additional supply tightening drivers emerged: Chinese domestic salt lakes face potential production halts due to power grid upgrades, while no new capacity has come online at South American salt lakes, tightening expectations for near-term marginal supply. Chile's lithium carbonate shipments to China stood at roughly 13,600 tons in May, slumping 40.8% month-on-month. As Chile's sole lithium sulfate exporter, SQM shipped 14,202 tons of lithium sulfate to China in May, jumping nearly 46% year-on-year. Chilean customs categorises lithium sulfate as non-mining miscellaneous goods, excluding it from official lithium export statistics. If lithium sulfate is incorporated into calculations, Chile's total lithium chemical exports reached 34,697 tons in May, up 30% from 26,683 tons in the same period of 2025. Market worries over elevated GFEX warehouse receipts eased this week, with the impact from the release of hidden inventories gradually absorbed. Traders took physical deliveries on price dips, pulling GFEX lithium carbonate warehouse receipts down from the all-time high of 57,000 lots to 53,000 lots. Over the medium term, resumed shipments from Zimbabwe's lithium mines will create forward supply pressure. Export bans and tight quota approvals nearly paralysed shipments in Q1 2026.



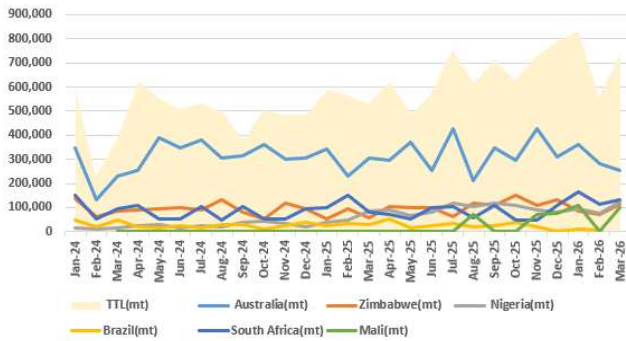
Starting in April, Chinese enterprises including China Mining Resources, Huayou Cobalt, Yahua Group and Shengxin Lithium secured export quotas and resumed shipments. Given the 40–60 day maritime transit cycle, large volumes of spodumene and lithium sulfate shipped in May and June are expected to arrive around August, substantially lifting raw material supply and inventory levels and putting temporary downside pressure on lithium prices.

Demand for lithium salts and batteries maintained rapid growth in June, with China’s overall lithium battery production schedules projected to rise 7%-7.5% month-on-month. According to Cui Dongshu of the CPCA (China Passenger Car Association), combined output of power batteries and other batteries hit 192GWh in May, a 38% year-on-year increase. For battery electric vehicles from April to May 2026, cells with energy densities ranging from 140Wh/kg to 160Wh/kg accounted for 46% of installations, up 14 percentage points year-on-year, reflecting a notable climb in average battery capacity per vehicle.

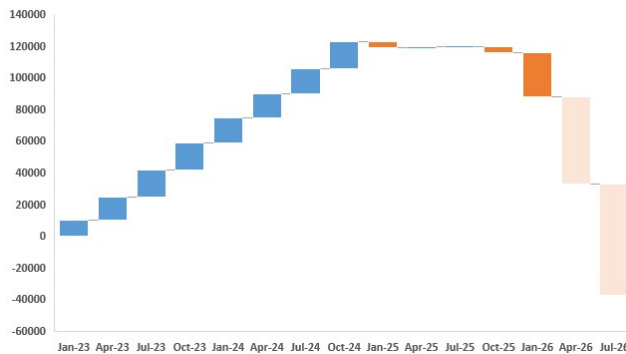
LFP cathode manufacturers have ramped up lithium carbonate purchasing for inventory building, triggering broad active restocking across the wider supply chain and fully reversing the passive destocking cycle that began in Q4 2025. Industry production schedules have accelerated notably since June. CATL targets an annual capacity of 1,354 GWh for 2026, with new production lines coming online at multiple manufacturing bases in Q3. Ganfeng Lithium’s 588Ah large-format energy storage cell production line in Nanchang will start capacity ramp-up in Q3 and reach mass production by year-end. BYD, EVE Energy, Gotion High-Tech and other peers are pushing forward capacity expansion to secure long-term orders for H2 2026 and 2027. Demand continues to show significant structural divergence. For small and medium-sized battery makers, utilisation rates of low-end capacity generally stand below 50% (some at just 20%-30%), with production lines idled or operating at half capacity for long periods. Low-density LFP cells (<140Wh/kg) and standard ternary cells face scarce orders and heavy inventory backlogs. By contrast, leading players run high-end capacity at 80%-95% utilisation with full order books extending from late 2026 into 2027. High-density LFP (140–160Wh/kg), high-nickel ternary products and 500Ah+ large ESS cells remain in tight supply.

Massive volumes of cobalt intermediates are stranded at overseas ports and yards. Shipments originally scheduled to arrive in Q1–Q2 have been deferred en masse to June–August, shifting near-term supply-demand balance towards inventory accumulation, temporarily weighing on cobalt prices.

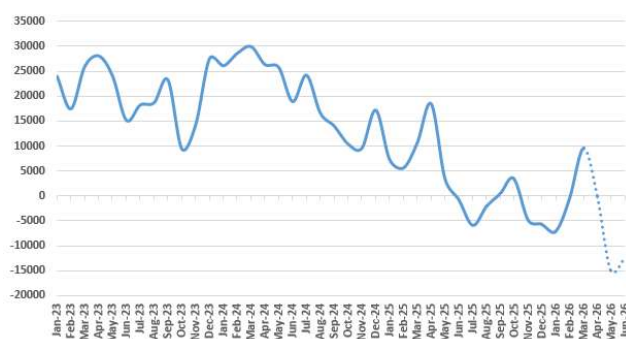
China Import Spodumene(mt)



Global Lithium Supply-Demand(LCE tons)



China LCE Supply - Demand(tons)



A stalemate persists in the cobalt sulfate market: smelters hold firm on offers backed by cost floors, while downstream ternary precursor producers show muted buying interest, only making sporadic purchases to meet immediate demand with thin trading activity.

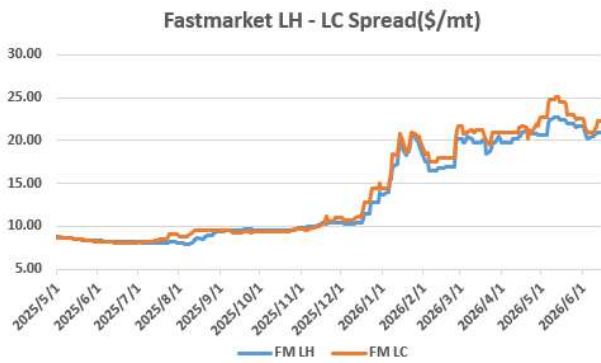
Downstream demand faces dual headwinds: the seasonal lull for 3C electronics and continuous destocking across the power battery chain, leading to cautious purchasing limited to immediate production needs with little willingness to restock proactively. In the long run, tight full-year export quotas from the DRC will underpin cobalt prices. On the supply side, forecasts vary widely for secondary cobalt output: the consensus range for global recycled cobalt output in 2026 stands at 30,000–35,000 mt cobalt equivalent, while third-party institutions adopt divergent statistical scopes. Some models extrapolate output at roughly 57,000 mt for 2026 based on a 9.86% CAGR.

On valuation metrics, the market views the cost of spodumene-based lithium carbonate as the core trading range of 170,000–190,000 yuan/ton, while recycled material prices of 140,000–150,000 yuan/ton serve as vital medium-term support.

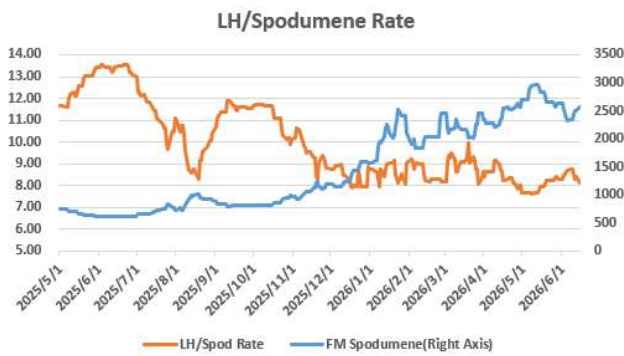
Since June, trading activity in the CIF lithium market has faded week by week amid widening bid-offer spreads. Downstream spot buyers are only purchasing for immediate demand, while upstream sellers resist selling at depressed prices. Both CIF lithium hydroxide and lithium carbonate indices edged up modestly, with gains lagging behind GFEX prices. In the CIF lithium hydroxide segment, inquiries remained active with most offers at \$19.5–20/kg; a deal was concluded at \$22/kg mid-week, yet suppliers refused to liquidate cargoes at low levels. CIF lithium carbonate saw muted trading across the week. Isolated transactions at \$22–22.4/kg lifted the benchmark index, while bid and offer prices remained opaque on most sessions. After a low print of \$2,415/ton early last week in the spodumene market, holders withheld shipments, waiting for a market recovery before releasing material at better levels.

Rolling quarter spreads offered limited trading opportunities in June, stabilizing between -\$0.5/kg and -\$0.4/kg.

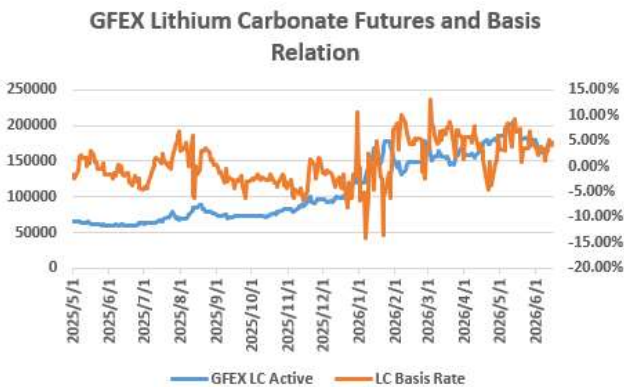
- In the short run, in our view, lithium salt is **Neutral**. In the long run, lithium salt is **Neutral**.
- In the short run, in our view, spodumene is **Neutral**. In the long run, spodumene is **Neutral**.
- In the short run, in our view, the volatility is **Neutral**.



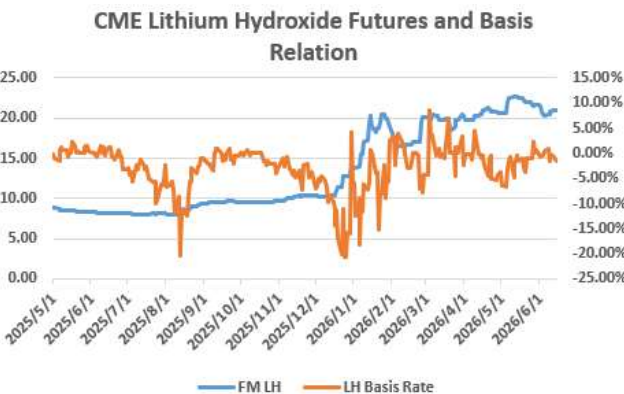
The LH-LC spread widened from -\$0.5/kg last week to -\$1.25/kg. A long-spread opportunity may emerge if it temporarily widens further to -\$2/kg.



The salt-spodumene ratio edged down after a sharp rally in May. Although spodumene prices have stabilised for now, further corrections remain likely. Nevertheless, the ratio may stage another rebound in Q3 when massive new global lithium supply hits the market.



The basis rate of GFEX lithium carbonate offered swing trading opportunities of 1%–5% within the week, yet the trading window narrowed down to just 1-2 days.



After adjustment, the CME lithium hydroxide basis remains neutral.

Market News List:

- GEM Co., Ltd. stated in its investor communication record that its major nickel ore suppliers in Indonesia are SCM Mine owned by local listed firm Merdeka and Hengjaya Mine controlled by Australian enterprises, jointly supplying over 90% of its nickel feedstock. Long-term supply guarantee agreements have been signed to fully cover raw material demand for its Indonesian nickel projects.
- Argentina's Mining Minister Luis Lucero commented on Thursday that with ongoing economic reforms and a new legal framework to attract mining investment, Argentina is poised to become a top investment destination for critical minerals. Data from S&P Global Market Intelligence shows the country holds 85.5 million tons of lithium reserves and resources, alongside 124.3 million tons of copper reserves and resources.
- On June 11, 2026, Anson Resources (ASX: ASN) and POSCO Holdings Inc. signed a definitive demonstration plant agreement at POSCO's Seoul headquarters to construct and operate a Direct Lithium Extraction (DLE) pilot facility.
- The power battery project of SVOLT Energy in Daye, Hubei broke ground in February and is scheduled for commissioning in July, featuring two battery module assembly lines and one battery PACK production line.
- Tianqi Lithium announced after market hours on June 10, 2026 that a localised fire broke out at the Green Chemical Processing Stage 3 (CGP3) spodumene facility at its Australian Talison site during routine maintenance on June 9. Its joint venture partner IGO confirmed all other production lines operate normally and retained the full-year 2026 production guidance of 1.375–1.425 million metric tons of chemical-grade spodumene.
- Bloomberg reported China plans to invest approximately RMB 2 trillion nationwide in artificial intelligence data centers (AIDC) over the next five years. CLSA estimates this initiative will generate an incremental 125 GWh of demand for energy storage batteries.
- General Motors will reallocate its lithium iron phosphate (LFP) capacity to energy storage applications, while shifting EV power batteries to lithium manganese rich layered oxide (LMR) cathode materials. The automaker noted LMR matches LFP on manufacturing costs while delivering 33% higher energy density, translating to longer driving range for electric vehicles.

Source: Bloomberg, Fastmarket, FIS

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