BATTERY METALS WEEKLY REPORT

18 Aug 2026

info@freightinvestor.com | freightinvestorservices.com | fis-live.com
London (+44) 20 7090 1120 | Dubai (+971) 4 4493900 | Singapore (+65) 6535 5189 | Shanghai (+86) 21 6335 4002

Lithium Salt and Spodumene Market:

- **FastMarket Lithium Hydroxide/Lithium Carbonate:** Our view is short-run **Neutral to Bullish**. Lithium salt prices have staged a valuation-driven rebound. Production maintenance across facilities, combined with low inventory levels in the midstream segment, has enhanced sellers' bargaining power in the spot market.

- **FastMarket Spodumene:** Our view is short-run **Neutral to Bullish**. Spodumene spot demand has become more active in August. Lithium salt plants are carrying out just-in-time inventory replenishment to meet operational needs.

Price Movement:

	17 Aug	10 Aug	Changes %	FIS Sentiment
FastMarket Lithium Hydroxide Monohydrate CIF China, Japan & Korea ($/kg)	18.35	18.00	+1.94%	Neutral to Bullish
FastMarket Lithium Carbonate Spot CIF China, Japan & Korea ($/kg)	19.55	18.90	+3.44%	Neutral to Bullish
Bloomberg Lithium Carbonate Spot China (yuan/ton)	144500.0	139500.0	+3.58%	Neutral to Bullish
FastMarket Cobalt 30% ($/lbs)	21.50	22.50	- 4.44%	Neutral
FastMarket Spodumene min 6% Asia ($/ton)	2230.00	2072.50	+7.60%	Neutral to Bullish

Commentary:

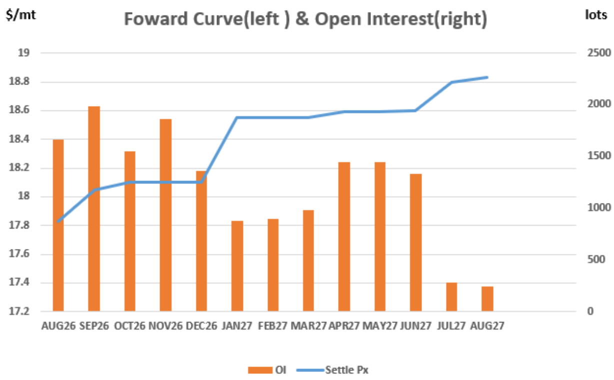
Lithium salt prices have continued to rebound in August, in line with our previous reports. We maintain a bullish stance on the CIF lithium salt market for the coming week.

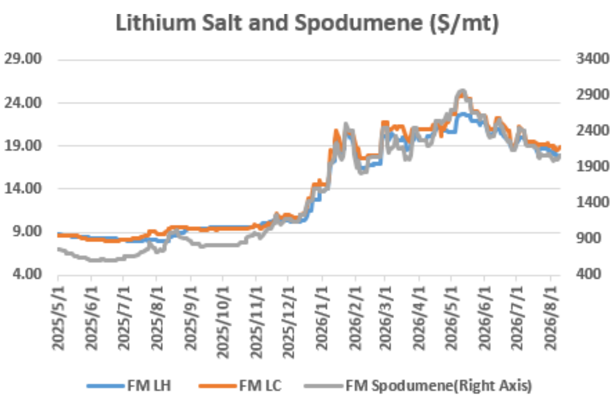
Repeated price troughs formed this year have established clear psychological support levels in the spot market, including CIF lithium carbonate at $18.5/kg and China-traded lithium carbonate at RMB 140,000/tonne. With midstream cell demand remaining elevated, lithium salt prices are unlikely to test the next cost support from lepidolite-based lithium production under current valuation dynamics. A downward shift to the next valuation band would only become relevant should battery production schedules show material deceleration over the next 1–2 months. As such, the effective floor provided by valuations needs to be assessed dynamically alongside supply-demand fundamentals. In the spot market, robust demand will keep restocking activity active. Midstream inventory build-up has not yet materialised, and spot lithium salt demand is expected to remain rigid through August.

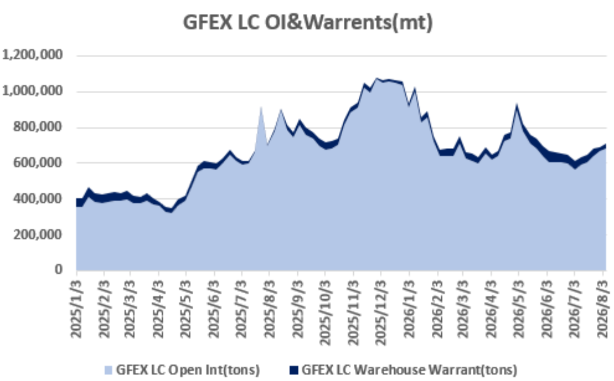
For lithium hydroxide, bid-offer tensions remain elevated and spot-market activity exceeds that of lithium carbonate, with multiple transactions executed across the broad $15–23/kg range. Spodumene strengthened sharply last week, with the Fastmarkets index rising 7.6% week-on-week from $2,072.50/tonne to $2,230/tonne. The recovery in lithium salt prices improved conversion economics for spodumene-based production, while ongoing feedstock requirements and firmer buyer acceptance supported higher spot prices.

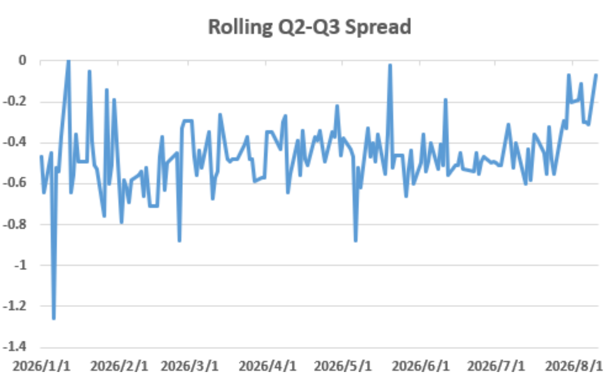
The lithium carbonate spot market rallied last week, with spot supply remaining tight amid upstream production maintenance. The CIF lithium carbonate index recovered from a six-month low of $17.75/kg to $18.35/kg over the past one and a half weeks. The index bottom coincided with heavy bottom-fishing physical deliveries in early August, and the market may re-establish $17–18/kg as a key psychological floor for spot trades. Deals were still concluded at $17.3/kg last weekend, while transaction prices climbed above $21/kg early this week amid strong willingness among sellers to defend prices. The contango structure for lithium hydroxide has deepened recently. Should spot prices rebound or flatten out, the forward curve carries upside potential for structural normalisation.

Source: Bloomberg, Fastmarkets, FIS







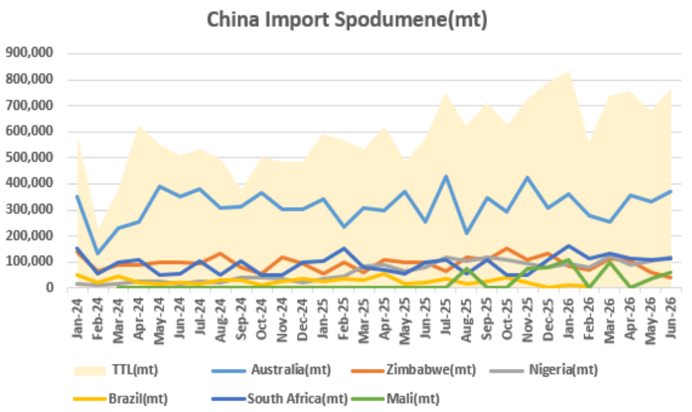


The CIF lithium carbonate index also staged a sharp rebound. Trades were heard near $19/kg last week, and seller offers moved above $20/kg at the start of this week. Spodumene spot trades hovered around $2,100/tonne last week, with active deal flow persisting throughout August. The index jumped sharply to $2,230/tonne last Friday before auction bids eased back to $2,195/tonne early this week, although buyer acceptance is expected to improve further. The lithium salt price recovery has lifted processing margins for third-party spodumene feedstock, and overall spot sentiment has turned bullish.

Ternary battery production schedules show notable growth in August, mainly driven by substantial increases in battery output and import volumes across Europe, while demand in other regions remains weak year-on-year. Persistent price corrections in nickel sulphate and cobalt sulphate, together with higher cost pressure from the reinstated consumption tax, are creating headwinds for ternary cathode valuations. Ternary cathode materials are currently caught in a tug-of-war between solid near-term demand and muted forward expectations. Medium-term demand momentum looks relatively limited, although demand is expected to pick up towards year-end amid overseas pre-season stocking and seasonal consumption peaks. Overall, ternary cathodes remain weighed down by falling raw material costs and cautious market sentiment in the near term. For the medium term, we are monitoring the sustainability of European demand alongside stabilisation signals for nickel and cobalt sulphate prices.

Downstream cell production schedules for ternary products are markedly stronger than those for LFP. Top-tier LFP capacity is fully utilised, while smaller manufacturers continue capacity rationalisation. Demand windows have extended, and there has effectively been no traditional off-season since last year. That said, constrained by the ceiling on commissioned capacity, lithium carbonate purchasing activity has recently plateaued, with limited room for marginal improvement. Nonetheless, tight LFP supply concentrated in high-density premium material creates an asymmetric price bias favouring the upside, indirectly providing support for lithium carbonate valuations.

Source: Bloomberg, Fastmarkets, FIS



The DRC export ban on copper-cobalt concentrates has limited impact on cobalt markets, given that most cobalt is shipped as intermediate products outside the scope of the direct restrictions. Quota allocations remain the key bottleneck for cobalt intermediate supply. Sustained declines in cobalt salt and electrolytic cobalt prices have pushed down bid levels for cobalt intermediates. Mining firms are reluctant to accept depressed offers and may opt for toll-processing sales as an indirect measure to defend price levels.

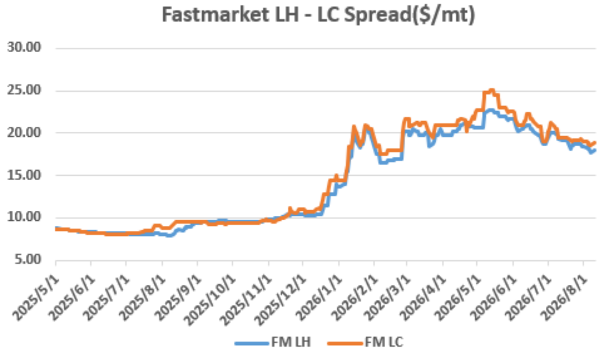
The LH/LC spread has fallen from -$0.5/kg at the start of the month to -$1.2/kg. A long-spread opportunity has emerged, with a target of -$0.7/kg.

The GFEX LC basis ratio stood at 1% last week, offering a bullish entry level with a target of 5%. The CME LH basis ratio also reached a low of -5.5% last week, presenting another bullish opportunity with a target of -1.0%. This marks the second round of basis-ratio swing-trading opportunities in August.

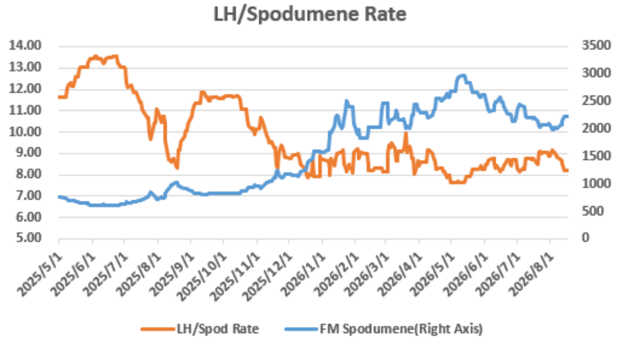
The rolling quarterly spread remains steady within a range of -$0.3/kg to -$0.2/kg, unchanged from last week. We continue to monitor for a potential short opportunity should the spread rebound towards zero.

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

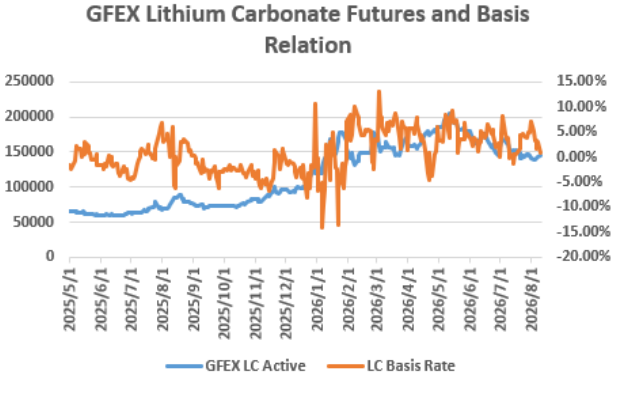
Source: Bloomberg, Fastmarkets, FIS



- The LH/LC spread has dropped from -$0.5/kg at the start of the month to -$1.2/kg. A long-spread opportunity has re-emerged, with a target of -$0.7/kg.



- The salt-to-ore ratio has moved lower, pointing to improving metallurgical processing margins.



- The GFEX LC basis ratio reached 1% last week, providing a bullish entry level with a target of 5%.

Source: Bloomberg, Fastmarkets, FIS

Market News List:

- Guoke Energy has successfully completed power transmission for the 110 kV dedicated substation and supporting transmission lines for Phase 1 of its 30 GWh new-energy battery manufacturing base. The project has entered the core equipment commissioning phase. The overall planned capacity stands at 30 GWh, including 10 GWh of LFP energy storage cell capacity upon full completion.

- Tianci Materials published the first EIA public notice for its 160 ktpa high-compaction-density LFP cathode project. The facility will provide 160,000 tonnes per annum of high-compaction-density LFP cathode material once commissioned.

- During its earnings briefing, Zangge Mining disclosed H1 lithium carbonate output of 5,400 tonnes and sales volume of 3,990 tonnes. Its lithium carbonate business generated operating revenue of RMB 582 million, representing a 118.22% year-on-year increase, with a gross margin of 71.08%. The firm targets 11,000 tonnes each for lithium carbonate production and sales in 2026.

- Indonesia's 2027 draft budget sets the fiscal deficit target at 2.4% of GDP, below this year's projected 2.85%. It sends a clear signal of a push towards resource sovereignty. Policy measures include establishing commodity exchanges to strengthen pricing power, cracking down on illegal mining to improve industry standards and rolling out electric motorcycle incentives to foster local supply chains. These developments create structural tailwinds for domestic miners and electric vehicle supply-chain participants.

- Multiple lithium projects have secured approvals under Argentina's Regimen de Incentivo para Grandes Inversiones (RIGI) large-scale investment incentive framework. Rio Tinto has the largest project, with 53 ktpa of planned capacity. Other approved developers include Ganfeng Lithium, Zijin Mining, POSCO, Minera Exar and Galan Lithium.

- Zimbabwe-based Masvingo Lithium Technology, a subsidiary of Zhongkuang Resources, has officially obtained the EIA certificate issued by Zimbabwe's Environmental Management Agency (EMA). Its 100 ktpa lithium sulphate project is moving into full-scale construction.

- Led by China Aluminum International Changsha Non-ferrous Metallurgical Design & Research Institute, the research initiative for high-efficiency lepidolite lithium extraction technologies and equipment has overcome multiple technical bottlenecks. The technology increases output, improves recovery rates and reduces impurity content.

Source: Bloomberg, Fastmarkets, FIS

Written by **Hao Pei**,
FIS Senior Research Analyst
haop@freightinvestor.com