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WEEKLY BATTERY METALS MARKET PREVIEW

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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

Battery Metals Market Signals

Bull

- August LFP cathode production is estimated at 558.6 kt, up 5.2% month-on-month. LFP order books are filled through the end of 2026. Under full-capacity operations, demand constraints are driven by downstream capacity ramp-up rather than order shortages.

- Mysteel data put August NCM cathode output at an estimated 91.3 kt, up 4.22% month-on-month. Marginal improvement in overseas exports and new-model vehicle demand underpins NCM production schedules.

- Downstream hydrometallurgical smelters face dual pressures. Surging sulphur prices are lifting production costs, while recovered salt prices have failed to keep pace, squeezing profit margins. This reduces willingness to purchase high-priced battery recycling feedstock and may curb recycled material supply inflows.

- China’s weekly NEV penetration hit an all-time high of 71.7% in the second week of August, accelerating the displacement of internal-combustion vehicles. Strong PHEV and E-REV volumes, together with new-model order flows, are translating into solid battery end-market demand.

- Hithium secured a 421 MWh energy storage project in Australia, reflecting the accelerating overseas deployment of Chinese energy storage solutions.

- Lithium carbonate inventory drawdowns accelerated this week, with sustained rapid destocking throughout August.

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Bear

- Zimbabwean environmental approval has been granted to ZMavingo Lithium, a subsidiary of Sinomine Resource. The 100 ktpa lithium sulphate project is moving from pre-construction into the full-scale construction phase.

- Mysteel estimates August lithium carbonate output at 108.9 kt, up 7.6% month-on-month. The outlook for spodumene arrivals is improving with inbound African spodumene cargoes. Some capacity previously idled due to ore shortages is set to restart alongside seasonally high output from salt lake operations.

- After lithium carbonate climbed above RMB 150,000/tonne, LFP producers adopted a wait-and-see stance on restocking.

- Recovery in LCO demand remains sluggish. Major players are focusing on inventory discipline amid the interim-reporting season. Low-price shipment strategies have not delivered any meaningful increase in volumes.

- Long-term cobalt supply remains constrained under DRC export quota rules. In the near term, the market is seeing increased material availability from concentrated DRC cargo arrivals, together with incremental output from Indonesian cobalt streams and recycling capacity, weighing on cobalt prices.

- Both cobalt sulphate and cobalt chloride continue to drift lower, with widening spot discounts driving further cost declines.

Other

- As of the week ending 14 August, weekly trading volume for lithium carbonate on the Guangzhou Futures Exchange stood at 1,472,050 tonnes, up 14.62% week-on-week. Open interest stood at 669,350, down 1.91% week-on-week.

- Registered lithium carbonate warehouse warrants on the Guangzhou Futures Exchange stood at 29,873 tonnes last week, compared with 36,098 tonnes in the previous week.

Weekly Futures Price and Open Interest Change

OI / lots	Cobalt Metal	Lithium Hydro
Aug-26	1,511	1659
Sep-26	1199	1965
Oct-26	1170	1538
Nov-26	1377	1813
Dec-26	1247	1369
Jan-27	728	878
Feb-27	699	896
Mar-27	677	951
Apr-27	562	1480
May-27	551	1480
Jun-27	502	1360
Jul-27	262	485
Aug-27	262	325
Sep-27	311	325
Oct-27	299	327
Nov-27	301	327
Dec-27	247	327
Jan-28	255	106

OI WoW %	Cobalt Metal	Lithium Hydro
Aug-26	10.1%	0.0%
Sep-26	5.7%	-0.9%
Oct-26	1.4%	-0.6%
Nov-26	0.8%	-2.4%
Dec-26	1.7%	0.9%
Jan-27	7.1%	0.0%
Feb-27	9.7%	0.0%
Mar-27	2.4%	-3.1%
Apr-27	1.8%	2.1%
May-27	1.8%	2.1%
Jun-27	3.1%	2.3%
Jul-27	0.0%	70.2%
Aug-27	0.0%	32.7%
Sep-27	0.0%	32.7%
Oct-27	0.0%	0.0%
Nov-27	0.0%	0.0%
Dec-27	0.0%	0.0%
Jan-28	0.0%	0.0%

Price	Cobalt Metal	Lithium Hydro
Aug-26	57,056	18,250
Sep-26	51,720	19,370
Oct-26	50,376	19,660
Nov-26	50,376	19,660
Dec-26	50,376	19,660
Jan-27	50,596	19,880
Feb-27	50,596	19,900
Mar-27	50,596	19,930
Apr-27	50,662	20,050
May-27	50,662	20,080
Jun-27	50,662	20,100
Jul-27	50,927	20,500
Aug-27	50,993	20,600
Sep-27	50,993	20,650
Oct-27	51,302	20,850
Nov-27	51,434	20,900
Dec-27	51,434	20,950
Jan-28	51,853	21,050

Price WoW %	Cobalt Metal $/mt	Lithium Hydro $/mt
Aug-26	-0.4%	2.4%
Sep-26	-0.9%	7.3%
Oct-26	-0.7%	8.6%
Nov-26	-0.7%	8.6%
Dec-26	-0.7%	8.6%
Jan-27	-0.2%	7.2%
Feb-27	-0.2%	7.3%
Mar-27	-0.2%	7.4%
Apr-27	-0.1%	7.9%
May-27	-0.1%	8.0%
Jun-27	-0.1%	8.1%
Jul-27	-0.8%	9.0%
Aug-27	-0.9%	9.4%
Sep-27	-0.9%	9.5%
Oct-27	-0.9%	7.9%
Nov-27	-0.8%	8.0%
Dec-27	-0.9%	8.1%
Jan-28	-1.0%	8.2%

Source: CME

Edited by: Hao Pei, Senior Research Analyst

CONTACT

Anna Chadwick
AnnaC@freightinvestor.com
m: (+44) 2070901126

Luke Vint
LukeV@freightinvestor.com
m: (+44) 7749701512

Lina Liu
LinaL@freightinvestor.com
m: (+86) 15000131292

Bryan He
BryanH@freightinvestor.com
m: (+86) 18981835193