FIS

WEEKLY BATTERY METALS MARKET PREVIEW

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Battery Metals Market Signals

Bull

- The market remains at a stalemate, with scarce physical transactions. Miners are targeting indicative prices of $21–22/lb for cobalt intermediates, while downstream buyers' target price levels have fallen significantly. Some miners are considering suspending direct sales of intermediates and opting for toll processing to produce cobalt metal instead.

- The Yichun Bureau of Ecology and Environment released a pre-acceptance public notice for the Jianxiawo lithium mine EIA application. Material output from Jianxiawo is highly unlikely in Q3; a low-rate ramp-up in Q4 remains the base-case scenario.

- Lithium salt inventories are drawing down rapidly. Around 80% of the destocking is taking place at cathode material producers, pointing to robust end-market demand.

- China's total lithium battery production schedule reached approximately 304 GWh in August 2026, up 7.4% month-on-month and hitting new all-time highs for six consecutive months. Energy storage cell production schedules stood at 125 GWh, up 200% year-on-year, and are projected to become the largest segment within China's battery market by 2027.

- Downstream material producers are mainly making need-based purchases on dips, with strong buying interest in lithium carbonate near CNY 150,000/t. Enterprises with scheduled spot requirements showed buying interest during price pullbacks this week. Almost all merchant spot cargoes were absorbed by downstream restocking, highlighting solid underlying demand.

- For spodumene, physical spot availability at mine sites is tight, with miners holding back sales at low price levels.

- August LFP production is estimated at 565.1 kt, up 5% month-on-month. The LFP sector is operating near full capacity, with supply constraints acting as the main bottleneck.

- CATL will officially deliver its first batch of sodium-ion energy storage systems to customers in September 2026, with full-year shipments set to reach GWh scale.

- The US Department of Energy is awarding $500 million in grants to seven firms developing domestic lithium, cobalt and battery material projects. This represents the latest round of investment aimed at expanding domestic mining and processing capacity in the US.

Bear

- Primary smelters continue to keep offers above CNY 80,000/t, yet the MHP cobalt coefficient has fallen to around 80%, bringing spot processing costs down to CNY 76,000–78,000/t. Recycled material offers from recyclers have softened to CNY 70,000–72,000/t.

- GFEX warrants have climbed to a relatively high level of 39,604 tonnes, with further increases likely. Higher spot prices would encourage additional warrant registration.

- Arrivals of Zimbabwean lithium ore have eased raw material shortages for spodumene conversion facilities. Production lines previously idled due to feedstock shortages were scheduled to resume after 10 August. Zimbabwean lithium ore arrivals have returned to normal monthly averages in August, although shipping capacity constraints are preventing further acceleration in deliveries.

- Following the lithium carbonate rally, LFP producers have turned cautious on restocking amid capacity ceilings. They are maintaining operating rates while prioritising cost optimisation.

Other

- As of the week ending 21 August, weekly trading volume for lithium carbonate on the Guangzhou Futures Exchange stood at 1,369,139 tonnes, down 6.99% week-on-week. Open interest stood at 689,587, up 3.02% week-on-week.

- Registered lithium carbonate warehouse warrants on the Guangzhou Futures Exchange stood at 39,604 tonnes last week, compared with 29,873 tonnes in the previous week.

Weekly Futures Price and Open Interest Change

OI / lots	Cobalt Metal	Lithium Hydro
Aug-26	1,511	1679
Sep-26	1166	1897
Oct-26	1161	1544
Nov-26	1445	1879
Dec-26	1232	1405
Jan-27	766	878
Feb-27	737	896
Mar-27	715	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	0.0%	1.2%
Sep-26	-2.8%	-3.5%
Oct-26	-0.8%	0.4%
Nov-26	4.9%	3.6%
Dec-26	-1.2%	2.6%
Jan-27	5.2%	0.0%
Feb-27	5.4%	0.0%
Mar-27	5.6%	0.0%
Apr-27	0.0%	0.0%
May-27	0.0%	0.0%
Jun-27	0.0%	0.0%
Jul-27	0.0%	0.0%
Aug-27	0.0%	0.0%
Sep-27	0.0%	0.0%
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	18,390
Sep-26	52,095	19,320
Oct-26	48,810	19,820
Nov-26	48,810	20,050
Dec-26	48,810	20,050
Jan-27	48,502	20,270
Feb-27	48,502	20,370
Mar-27	48,502	20,400
Apr-27	49,273	20,600
May-27	49,339	20,700
Jun-27	49,383	20,750
Jul-27	49,824	20,650
Aug-27	49,891	20,720
Sep-27	49,935	20,930
Oct-27	50,265	21,030
Nov-27	50,376	21,100
Dec-27	50,442	21,180
Jan-28	50,883	21,900

Price WoW %	Cobalt Metal $/mt	Lithium Hydro $/mt
Aug-26	0.0%	0.8%
Sep-26	0.7%	-0.3%
Oct-26	-3.1%	0.8%
Nov-26	-3.1%	2.0%
Dec-26	-3.1%	2.0%
Jan-27	-4.1%	2.0%
Feb-27	-4.1%	2.4%
Mar-27	-4.1%	2.4%
Apr-27	-2.7%	2.7%
May-27	-2.6%	3.1%
Jun-27	-2.5%	3.2%
Jul-27	-2.2%	0.7%
Aug-27	-2.2%	0.6%
Sep-27	-2.1%	1.4%
Oct-27	-2.0%	0.9%
Nov-27	-2.1%	1.0%
Dec-27	-1.9%	1.1%
Jan-28	-1.9%	4.0%

Source: CME

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