FIS

BATTERY METALS WEEKLY REPORT

15 Sep 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**. Lithium carbonate extended its sharp decline. Market expectations for marginal capacity expansion have intensified, alongside authorities launching inspections targeting disorderly capacity expansion. Sentiment faces further near-term pressure, keeping prices weak.
- **FastMarket Spodumene:** Our view is short-run **Neutral**. Global port arrivals of spodumene show a notable upward trend. Rising shipments from African lithium mines are driving additional supply.

Price Movement:

	14 Sep	7 Sep	Changes %	FIS Sentiment
FastMarket Lithium Hydroxide Monohydrate CIF China, Japan & Korea ($/kg)	17.8	18.1	-1.66%	Neutral
FastMarket Lithium Carbonate Spot CIF China, Japan & Korea ($/kg)	18.05	18.9	-4.50%	Neutral
Bloomberg Lithium Carbonate Spot China (yuan/ton)	137500	152500	-9.84%	Neutral
FastMarket Cobalt 30% ($/lbs)	16.55	16.84	-1.72%	Neutral to Bearish
FastMarket Spodumene min 6% Asia ($/ton)	1922.5	2070	-7.13%	Neutral

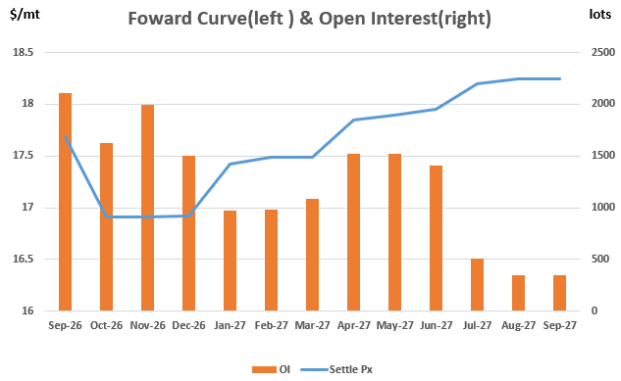
Commentary:

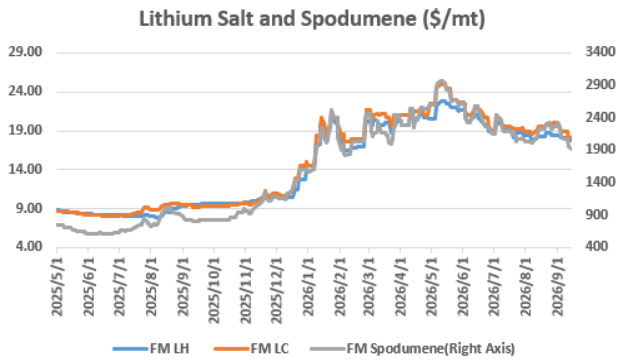
Over the past two weeks, lithium carbonate destocking has slowed markedly while output has continued to rise. Some data providers reported a week-on-week inventory build last week, pointing to marginally looser supply. On the policy front, authorities launched inspections targeting disorderly capacity expansion in energy storage. Meanwhile, market rumours that leading storage firms would cut production schedules emerged during the week, though these were later disproven, temporarily weighing on demand and stocking expectations for next year. Actual operating data show LFP producers' September production schedules still rose by over 6% month-on-month, with no downward revisions, retaining near-term demand resilience. Overall, concerns over the long-term supply-demand balance have triggered overselling, while fundamentals remain relatively solid, laying the ground for a near-term price recovery.

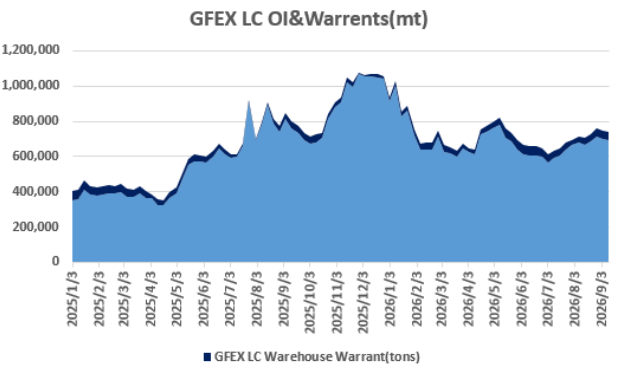
In terms of actual demand, energy storage order visibility extends through the remainder of this year into Q1 next year. Even with marginal shifts in storage demand, the impact on 2028 order procurement will not become clear over the coming two quarters. Domestic energy storage tenders in China remained 16% higher in September than in August, and LFP is still expected to deliver strong growth in Q4, with near-term demand resilience intact. Following the sharp correction in lithium carbonate, GFEX registered warrants climbed to a nine-week high of 49,797 tonnes before pulling back. The window for sell-into-delivery profits has closed amid rapid futures declines. Subsequent warrant drawdowns represent the unwinding of prior positions and may help stabilise the futures market. Cash-and-carry arbitrage activity remains active. In terms of valuation, prices have broken below the cost of production using purchased spodumene and are approaching the lower cost threshold for mica-based lithium extraction at 120,000 yuan/tonne. A further drop to in-house mine production costs is unlikely. Downstream buyers have started incremental purchases below 140,000 yuan/tonne, with 130,000–140,000 yuan/tonne acting as a key psychological range for spot trades.

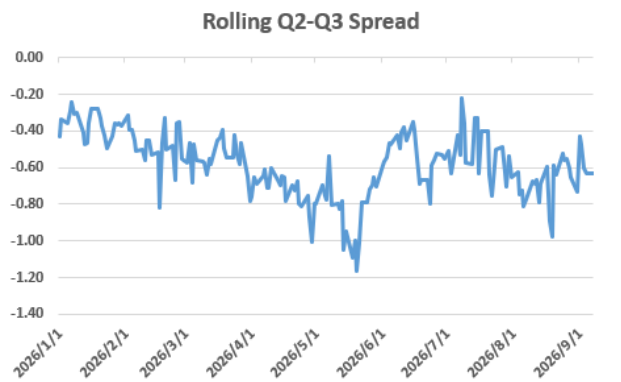
September production schedules for ternary cathode materials fell 5% month-on-month. Leading ternary battery manufacturers have materially cut Q4 order forecasts. Weakening power battery demand, paired with a disappointing peak season in consumer electronics, is jointly dragging down prices of ternary materials and cells. On the raw material side, nickel sulphate, cobalt sulphate and lithium hydroxide have retreated rapidly. Amid the price corrections, some cell makers have started restocking on dips. Structurally, export-oriented high-nickel batteries represent the sole source of growth for ternary cells, creating a stark divergence between sluggish domestic demand and resilient overseas shipments.

Source: Bloomberg, Fastmarkets, FIS









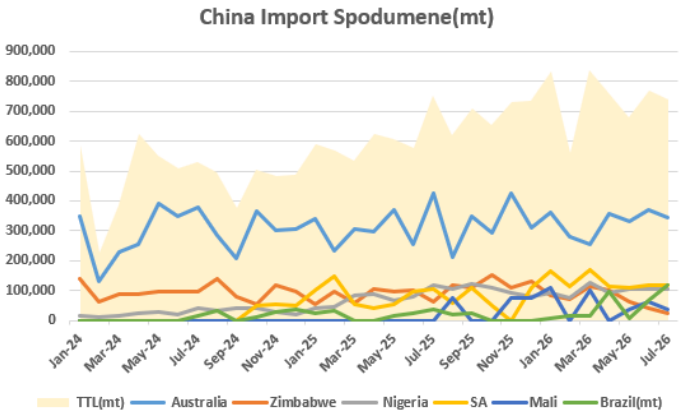
Despite the rapid fall in futures prices, bargain-hunting buyers emerged in the CIF lithium salt spot market, as spot participants viewed current valuations as depressed and conducted restocking based on peak-season expectations. For CIF lithium hydroxide, early-week bids and trades clustered around $16.4/kg, weighing down the index. However, several higher-priced transactions at $20.5/kg and $22.5/kg were concluded in the latter half of the week. While volumes remained modest, they signalled persistent demand and active market participation. For CIF lithium carbonate, seller offers at $17.4/kg exerted immediate downward pressure on the index. Multiple deals within $16.7–21.1/kg were registered later in the week, showing wide price dispersion and reflecting valuation differences between buyers and sellers. In the spodumene market, the bid-offer spread widened to $500/tonne at the start of the week. Sellers then offered modest price concessions, with limited deals concluded at $1,900/tonne, $200/tonne below the previous week's floor price. Arrivals from West Africa created a temporary supply shock. Most buyers remain on the sidelines, waiting for further price softening from sellers.

The cobalt market saw broad and sharp declines. Electrolytic cobalt was weighed down by major smelters cutting ex-factory prices. Holders of cobalt intermediates became less willing to support prices, while traders offloaded cargoes within $15–17/lb. Coupled with accelerated inflows of low-cost Indonesian feedstock, the price centre moved lower. Cobalt sulphate faced pressure as some producers liquidated stocks amid cash flow strains. The anticipated downstream peak-season recovery failed to materialise, with demand falling short of expectations. Low margins across the battery segment continue to feed through to raw materials.

Orders for lithium cobalt oxide (LCO) were revised lower for Q4, mainly due to weaker-than-expected procurement from consumer electronics. Lithium hexafluorophosphate remains the outperformer among battery materials, with firm prices and rapidly recovering corporate margins. The electrolyte sector is still undergoing rapid capacity expansion given its relatively small installed base in earlier periods.

The LH/LC spread trade has been realised: buy entry at -$2/kg and exit at -$0.6/kg. The spread touched -$0.25/kg last Friday and again this Monday. The spread presented a short entry opportunity at this level, with the exit target set at -$1.5/kg.

Source: Bloomberg, Fastmarkets, FIS

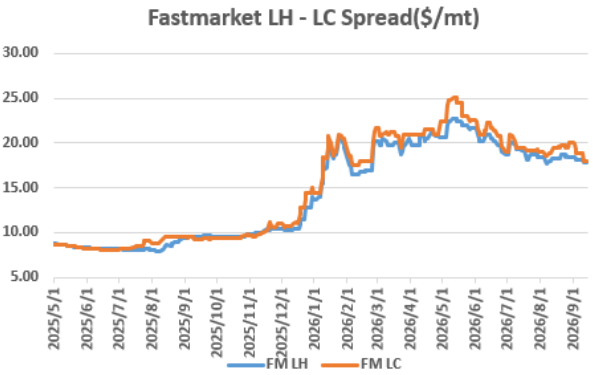




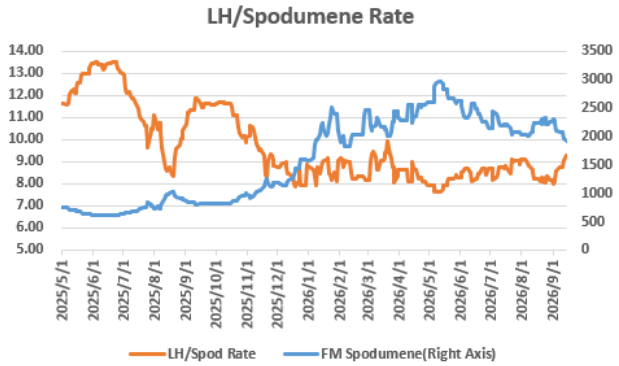
The basis trade also hit its target. The recommended short-basis entry at a GFEX basis ratio of 7% offered an exit opportunity at 1.11% last week. The basis ratio now stands near 3%, in neutral territory. A level around 2% in future would be viewed as a long-basis entry signal.

- 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**.

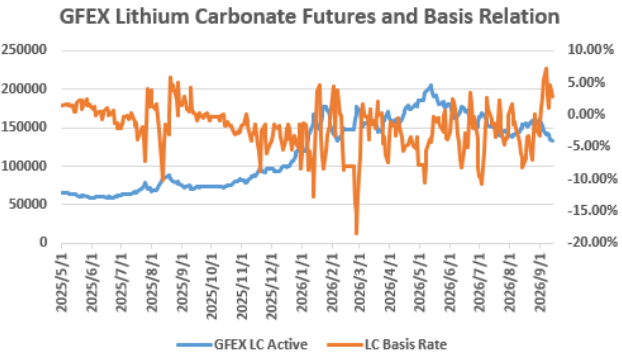
Source: Bloomberg, Fastmarkets, FIS



- The LH/LC spread trade has been realised, with entry at -$2/kg and exit at -$0.6/kg. The spread printed -$0.25/kg last Friday and this Monday. Shorting the spread is feasible at current levels, targeting an exit at -$1.5/kg.



- The salt-to-spodumene ratio rebounded rapidly and may continue to widen amid limited marginal demand for spodumene.



- For GFEX, watch for a long-basis entry at 1–2%, with exit target at 6–7%.

Source: Bloomberg, Fastmarkets, FIS

Market News List:

- Persistent market rumours of order cuts at a major energy storage player, plus tighter approvals for new storage capacity, triggered investor concerns over long-term demand. The rumours were later disproven.

- MIIT and NDRC issued the 15th Five-Year Plan for Electronic Information Manufacturing. The document calls for advancing energy electronics technologies covering PV, storage, terminals and communications. It targets stronger full-chain innovation for new batteries, consolidating lithium battery competitiveness and accelerating the industrialisation of solid-state, sodium-ion, flow and fuel cells. It promotes intelligent, green and integrated battery development and supports deployment across smart terminals, EVs, shipping, aviation, robotics, construction machinery and agricultural equipment.

- US Interior Secretary Doug Burgum stated at the G20 Energy Ministers meeting in Houston that deep-sea mining permits could be issued within months. The Trump administration is rolling out an "energy growth" strategy to expand critical mineral supply chains for the US and its allies. Potato-shaped polymetallic nodules in parts of the Pacific and other waters contain nickel, cobalt, copper, manganese and other key minerals for EVs, defence hardware and electronics.

- E3 Lithium signed a non-binding MoU with Epsilon CAM to supply 5,000 tpa of battery-grade lithium carbonate for five years starting 1 September 2026.

- On 11 September, Gotion High-Tech disclosed that it had secured a 6 GWh core energy storage order for Saudi Arabia's first large-scale battery storage projects, delivering ESS solutions for multiple large local storage sites.

- Trina Storage signed an MoU with Japanese independent power developer AMP-lify for a 1 GWh grid-connected energy storage project.

- Goldman Sachs published research forecasting lithium price corrections in H2, with LCE prices falling further to $10,300–16,000/tonne next year and the year after, shifting the global lithium market from deficit to surplus.

- China launched the world's first Intelligent Ore-Seeking System on 11 September. The platform supports the survey, exploration and evaluation of solid minerals including gold, iron, copper, aluminium, lithium, cobalt, nickel, lead-zinc, chromium, potash and uranium.

- Phase 1 commercial lithium production at Vulcan Energy Resources' Lionheart project in Germany will form part of an integrated lithium-geothermal complex targeting 24,000 tpa of lithium hydroxide monohydrate, enough to supply roughly 500,000 EVs annually.

- The first products rolled off the line at a 350,000 tpa high-density LFP cathode project in Deyang-Aba Eco Industrial Park, Mianzhu, Sichuan. Output can supply power batteries for approximately 1.4 million BEVs.

Source: Bloomberg, Fastmarkets, FIS

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

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions FZCO ('FIS FZCO') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com