FIS

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

- Spot prices remained relatively stable last week following a sharp futures sell-off. Futures may partially recover losses as cash-and-carry traders step into the market.

- Lithium carbonate inventory drawdown accelerated last week. GFEX registered warehouse warrants fell from 48,714 tonnes to around 41,000 tonnes, providing support for lithium carbonate.

- China's battery production schedule for September is expected to rise around 6% MoM and 69% YoY, confirming strong peak-season demand. Battery makers showed notably stronger buying interest when lithium carbonate fell to the RMB 130,000–135,000/tonne range.

- Battery and material manufacturers built pre-holiday inventories ahead of the Mid-Autumn Festival and National Day holidays, lifting volumes of small-lot spot purchases.

- The LFP market remained steady to strong this week. Cathode producers maintained robust order books and rising output. Sustained order releases, together with tight capacity at some producers, further reduced cathode inventories.

- Fitch's BMI raised its 2026 average China lithium carbonate price forecast to $20,100/tonne, nearly double the 2025 average of $10,502/tonne. It also raised its lithium hydroxide forecast to $19,600/tonne. BMI warned that the lithium price rally may have outrun fundamentals.

- Sichuan Fulin New Materials commissioned its 350,000 tpa LFP project.

- GFEX reduced the minimum single opening order size and trading fees and adjusted position limits for lithium carbonate futures contracts.

- Canada's E3 Lithium signed a non-binding MoU with Indian cathode producer Epsilon CAM to supply up to 5,000 tpa of battery-grade lithium carbonate over five years.

Bear

- On 20 September, the Jiaxiawo lithium mine project owned by CATL in Yichun, Jiangxi, restarted its EIA approval process. The proposed acceptance notice was previously revoked over website compliance issues, and the project has re-entered the review process.

- Recycled cobalt sulphate prices continued to fall. Together with the MHP payable coefficient falling from 65% to 55%, this weighed further on cobalt sulphate prices.

- Tender activity for cobalt intermediates remained muted, with limited downstream buying, creating a weak supply-demand backdrop.

- Mineral cargoes from Zimbabwe have recently arrived at Chinese ports in concentrated volumes.

- China's ternary cathode output for September 2026 is projected at 90,000 tonnes, down 1.7% WoW. Sales of high-end range-extended EVs fell short of expectations. The pre-tax production rush faded after the consumption tax took effect.

- Downstream buying for lithium cobalt oxide remained sluggish. End-consumer electronics demand stayed weak, and price cuts by producers failed to materially lift shipment volumes.

Other

- As of the week ending 21 September, weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 1,157,128 lots, down 7.64% on the week. Open interest stood at 715,700 lots, up 3.25% on the week.

- Registered warehouse warrants for lithium carbonate on the Guangzhou Futures Exchange stood at around 41,000 tonnes, down from 48,714 tonnes the previous week.

Weekly Futures Price and Open Interest Change

OI / lots	Cobalt Metal	Lithium Hydro
Sep-26	1,570	2,104
Oct-26	1,269	1,632
Nov-26	1,565	2,007
Dec-26	1,669	1,523
Jan-27	959	1,114
Feb-27	907	1,125
Mar-27	890	1,259
Apr-27	617	1,658
May-27	606	1,658
Jun-27	557	1,538
Jul-27	247	561
Aug-27	247	401
Sep-27	296	401
Oct-27	314	428
Nov-27	316	428
Dec-27	262	428
Jan-28	294	106

OI WoW %	Cobalt Metal	Lithium Hydro
Sep-26	0.0%	0.0%
Oct-26	1.2%	0.6%
Nov-26	-2.5%	0.6%
Dec-26	31.7%	1.3%
Jan-27	4.4%	14.6%
Feb-27	6.5%	14.1%
Mar-27	6.6%	15.8%
Apr-27	0.0%	8.7%
May-27	0.0%	8.7%
Jun-27	0.0%	9.5%
Jul-27	0.0%	11.1%
Aug-27	0.0%	16.2%
Sep-27	0.0%	16.2%
Oct-27	0.0%	25.1%
Nov-27	0.0%	25.1%
Dec-27	0.0%	25.1%
Jan-28	3.5%	0.0%

Price	Cobalt Metal	Lithium Hydro
Sep-26	55,093	17,310
Oct-26	51,809	16,350
Nov-26	50,706	16,420
Dec-26	50,155	16,570
Jan-27	46,958	16,770
Feb-27	46,958	16,970
Mar-27	46,958	17,070
Apr-27	46,804	17,170
May-27	46,848	17,170
Jun-27	46,914	17,170
Jul-27	47,025	17,440
Aug-27	47,069	17,440
Sep-27	47,135	17,440
Oct-27	47,245	17,800
Nov-27	47,289	17,800
Dec-27	47,355	17,800
Jan-28	47,686	18,150

Price WoW %	Cobalt Metal $/mt	Lithium Hydro $/mt
Sep-26	-1.4%	-2.1%
Oct-26	0.8%	-3.3%
Nov-26	1.3%	-2.9%
Dec-26	1.6%	-2.1%
Jan-27	2.6%	-3.7%
Feb-27	3.0%	-3.0%
Mar-27	2.9%	-2.4%
Apr-27	2.7%	-3.8%
May-27	2.8%	-4.1%
Jun-27	2.8%	-4.3%
Jul-27	2.6%	-4.2%
Aug-27	2.6%	-4.4%
Sep-27	2.7%	-4.4%
Oct-27	2.2%	-4.5%
Nov-27	2.2%	-4.8%
Dec-27	2.1%	-5.2%
Jan-28	2.3%	-4.5%

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

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