

Battery Metals Market Signals

Bull

- Implementation of Document No. 114 rolls out capacity-based electricity pricing nationwide in China, improving the economics of independent storage projects and driving a sharp increase in domestic storage tenders and commissioning.
- Residential storage demand in Europe, Australia and the UK remains strong. The US large-scale storage market is entering a second high-growth wave driven by extreme weather and AI data-centre load, making AI-linked storage a new core growth engine.
- In China, the average duration of storage batteries rose to 2.90h, exceeding 3.25h in September. Long-duration storage is lifting MWh and lithium intensity per project.
- Hithium's cumulative ESS battery shipments exceeded 200GWh, with the second 100GWh achieved in about one year; orders are reported through the end of 2027. Its Chongqing "lighthouse factory" has over 89% automation and 26% lower unit energy consumption, supporting its leadership in long-duration products.
- BMW's Gen6 battery local production in Shenyang adopts large cylindrical cells and CTP, with energy density up 20% and charging speed and range up to 30%; CATL and EVE supply the cells. BMW plans 20 new-generation models in China by 2027 and over 95% local production by 2030, validating the large-cylinder route.
- The power and storage peak season is keeping September–October anode output at a high level.
- China's 15th Five-Year Plan for new batteries targets initial large-scale application of all-solid-state batteries, 15,000-cycle long-life LFP and PPB-level defect rates; the "no blind expansion" stance supports supply discipline and favours leading technology and cost leaders.

Bear

- September passenger vehicle insurance registrations in China were 1.657mn, down 26.4% YoY, the largest monthly decline this year. NEV insurance registrations were 1.088mn, with penetration reaching a record 65.6%, but BEV registrations fell 9.4%, PHEV 32.4% and EREV 10.1%. Retail sales from 1–11 October were down 24% YoY, while NEV retail sales were down 13% YoY.
- China resumed consumption tax on lithium-ion batteries from 1 September; the lithium battery export VAT rebate follows a step-down path of 13% → 9% → 6% → 0%. The NEV export rebate will be cut from 13% to 9% from April 2027. This weighs on export economics and downstream demand.
- CATL's Jianxiawo lepidolite mine EIA has been accepted for public review; it is the world's largest known single lepidolite mine. Restart progress is faster than expected, with full capacity potentially adding 5,000–6,000 tonnes/month of LCE.
- Q4 African ore arrivals are concentrated; Australian mine restart expectations are rising; port spodumene inventories are high; and Zimbabwe shipments are recovering. Costs could be pushed towards RMB60,000/tonne, loosening raw material supply.
- China's Jan–Sep new storage additions were 35.30GW/102.31GWh, with power down 3% YoY. Although Q3 recovered, power-side installation momentum remains weaker YoY.

Other

- As of the week ending 16 October, weekly trading volume of lithium carbonate on the Guangzhou Futures Exchange was 2,290,551 lots, up 255% on the week. Open interest stood at 709,608 lots, up 1.17% on the week.
- Registered warehouse warrants for lithium carbonate on the Guangzhou Futures Exchange stood at 25,640 tonnes last week, compared with 30,680 tonnes the previous week.

Weekly Futures Price and Open Interest Change

OI / lots	Cobalt Metal	Lithium Hydro	OI WoW %	Cobalt Metal	Lithium Hydro	Price	Cobalt Metal	Lithium Hydro	Price WoW %	Cobalt Metal \$/mt	Lithium Hydro \$/mt
Oct-26	1,266	1,557	Oct-26	-0.4%	0.0%	Oct-26	51,610	14,900	Oct-26	-1.8%	-6.3%
Nov-26	1,376	1,700	Nov-26	-13.2%	-3.6%	Nov-26	45,790	13,380	Nov-26	-5.4%	-9.1%
Dec-26	1,871	1,477	Dec-26	-0.1%	-2.0%	Dec-26	45,812	13,400	Dec-26	-5.8%	-10.7%
Jan-27	1,348	1,731	Jan-27	0.0%	9.5%	Jan-27	46,077	13,600	Jan-27	-3.7%	-11.0%
Feb-27	1,327	1,735	Feb-27	-0.9%	9.5%	Feb-27	45,746	13,600	Feb-27	-4.4%	-11.0%
Mar-27	1,417	1,912	Mar-27	3.7%	8.9%	Mar-27	44,666	13,600	Mar-27	-6.6%	-11.0%
Apr-27	728	2,315	Apr-27	8.2%	17.1%	Apr-27	44,092	13,410	Apr-27	-7.6%	-13.6%
May-27	717	2,315	May-27	8.3%	17.1%	May-27	44,092	13,410	May-27	-7.6%	-13.6%
Jun-27	668	2,229	Jun-27	9.0%	17.9%	Jun-27	44,092	13,410	Jun-27	-7.6%	-13.6%
Jul-27	328	937	Jul-27	0.0%	21.4%	Jul-27	44,313	13,650	Jul-27	-5.6%	-13.9%
Aug-27	328	777	Aug-27	0.0%	27.0%	Aug-27	44,357	13,650	Aug-27	-5.5%	-14.2%
Sep-27	377	777	Sep-27	0.0%	27.0%	Sep-27	44,357	13,650	Sep-27	-5.5%	-14.4%
Oct-27	339	553	Oct-27	0.0%	1.8%	Oct-27	44,203	13,850	Oct-27	-6.0%	-15.3%
Nov-27	341	553	Nov-27	0.0%	1.8%	Nov-27	44,247	13,850	Nov-27	-6.0%	-15.3%
Dec-27	302	553	Dec-27	5.2%	1.8%	Dec-27	44,092	13,850	Dec-27	-6.3%	-15.3%
Jan-28	329	181	Jan-28	6.5%	0.0%	Jan-28	44,313	14,400	Jan-28	-6.4%	-12.7%
Feb-28	329	181	Feb-28	6.5%	0.0%	Feb-28	44,313	14,500	Feb-28	-6.5%	-12.9%

Source: CME

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