VOLTAIRE MINERALS

Battery Metals Market Update

17 July 2026

Price Changes

	Price Date	Current MID	Weekly change	Monthly change	Annual change
Cobalt Hydroxide *FM Co Hydroxide 30% Co min, CIF China, $/lb*	*17-07-26*	24.13	(0%)	(4%)	92%
Cobalt Hydroxide Payable *FM Cobalt Payable in Hydroxide, CIF China, % of FM SG*	*17-07-26*	95%	(1%)	(4%)	17%
MHP Payable *FM Cobalt Payable in MHP, CIF CJK, % of SG*	*17-07-26*	89.00	(1%)	(3%)	41%
Cobalt Sulfate *Mysteel Co Sulfate Battery Grade, China, Rmb/t*	*17-07-26*	85,500	0%	(5%)	67%
Cobalt Metal *FM Standard Grade, in-Whs Rotterdam, $/lb*	*17-07-26*	26.25	0%	(0%)	68%
Cobalt Metal *FM Alloy Grade, in-Whs Rotterdam, $/lb*	*17-07-26*	28.73	(0%)	(1%)	51%
Spodumene *FM Spod 6% Li2O, CIF Asia, USD/t*	*17-07-26*	2,215	1%	(11%)	207%
Lithium Carbonate *FM Li Carbonate Battery Grade, CIF Asia $/kg*	*17-07-26*	19.50	0%	(10%)	129%
Lithium Carbonate *Mysteel Li Carbonate Battery Grade, China, Rmb/t*	*17-07-26*	152,450	(2%)	(10%)	136%
Lithium Hydroxide *FM Li Hydroxide Battery Grade, CIF CJK, $/kg*	*17-07-26*	19.25	(0%)	(6%)	141%
Lithium Hydroxide Mysteel Li Hydroxide Battery Grade, China, Rmb/t	*17-07-26*	137,750	(3%)	(11%)	138%

Executive summary

- **Cobalt** – Chinese cobalt prices fell 5% this week, from RMB 380,000/t to RMB 360,500/t ($24.13/lb VAT included, down from $25.40/lb the previous week), as downstream buyers entered their summer maintenance period with sluggish purchasing during the traditional July off-season. China's refined cobalt output fell across all product lines in June 2026, with metal flat at 300t (down 88% YoY), while chloride and oxide output dropped 38% and 30% YoY respectively as LCO chemistries pulled back amid elevated memory chip prices. Global LCO demand is now forecast to fall from 124,000t in 2025 to 96,000t in 2026, a loss of around 17,000t of contained cobalt. Smartphone OEMs are increasingly adopting NCM and blended LCO-NCM chemistries, helped by silicon-carbon anode technology closing the energy density gap that previously favored LCO.

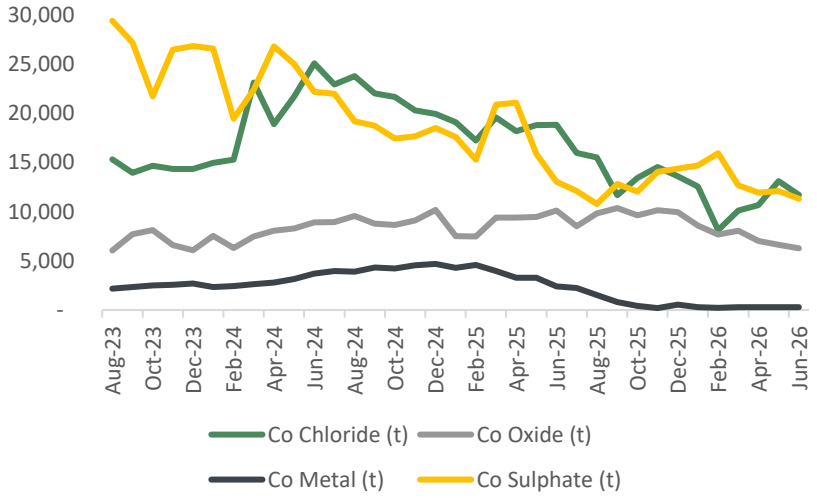
- **Lithium** – Chinese lithium carbonate demand rose steadily through H1 2026, with monthly consumption climbing from around 124,700t in January to 151,000t in June, driven by both EV and energy storage demand. Lithium hydroxide production reached 172,000t over H1 2026, up 21% YoY, though operating rates stayed below 50% amid overcapacity. LFP continued to dominate domestic power battery installations with an 81% share at 272 GWh, while NCM installations reached 64 GWh. Analysts expect continued destocking to support the lithium carbonate market through H2. Nonetheless, lithium futures have fallen 10% since the start of July despite a supply deficit of around 11,000t in June reflecting speculative pressure around the anticipated restart of CATL's Jianxiawo mine and the ramp up of Zijin Mining's Manono project in the DRC.

- **EV/Auto** – China’s EV industry is leaning on exports to overseas markets as domestic demand softens. Chinese passenger vehicle sales are down 14% YoY in H1 2026 and manufacturers launched around 650 new or refreshed models over the period, intensifying price competition and pressuring profitability. Exports are emerging as the main growth engine, with Tesla becoming China's sixth largest vehicle exporter after shipments from its Shanghai Gigafactory more than tripled in June. Europe is becoming a key destination for these exports, with EU5 EV registrations recovering to record monthly levels. Spain is positioning itself as a manufacturing hub for Chinese investment, attracting the CATL Stellantis battery plant, the Chery Ebro Motors JV and the BAIC Santana Motors partnership, taking a pragmatic approach that combines Chinese capital and technology with local manufacturing and jobs.

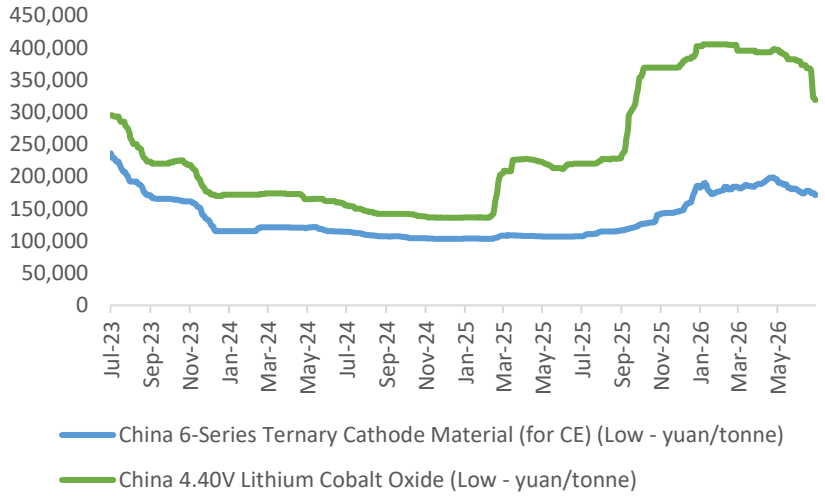
China refining falls and NCM-to-LCO cathode substitution accelerates

- China's refined cobalt output fell broadly across all product lines in June 2026 with:
  - Metal: flat at 300t (0% MoM, -88% YoY). Output has now held flat for three straight months affected by thin refining margins due to elevated hydroxide feedstock costs.
  - Sulphate: 11,333t (-6% MoM, -13% YoY). Remains comparatively resilient YoY helped by recycled feedstock substitution.
  - Chloride and oxide: 11,708t (-11% MoM, -38% YoY) and 6,280t (-5% MoM, -30% YoY) respectively. Both continue falling 30-38% YoY, pointing to a pullback in LCO chemistries amid elevated DRAM and memory chip prices driven by the ongoing shortage from AI data center demand.
- LCO demand totaled 124,000t in 2025 and is now forecast to fall to 96,000t in 2026 representing a decline of 17,000t of contained cobalt demand, due to weak consumer electronics demand and accelerating substitution by NCM cathode materials. LCO remains the core chemistry for high-end electronics, with downgrades applied mainly to larger battery devices such as PCs and tablets.
- Cost pressure has since pushed manufacturers to seriously evaluate NCM alternatives, and in H1 2026 several smartphone OEMs launched pure NCM battery programs, with a growing number of devices adopting blended LCO-NCM chemistries (80% LCO / 20% NCM) to reduce costs. The energy density gap that previously favored LCO has also narrowed, as NCM now benefits from silicon-carbon anode technology, which is commercially mature and delivers up to 40% higher energy density for less than RMB 2 of added anode cost per cell. The cobalt content difference remains large, with LCO at 60% cobalt versus 6.9% for NCM 6-series, meaning each unit of LCO displaced by NCM reduces cobalt demand by a multiple.

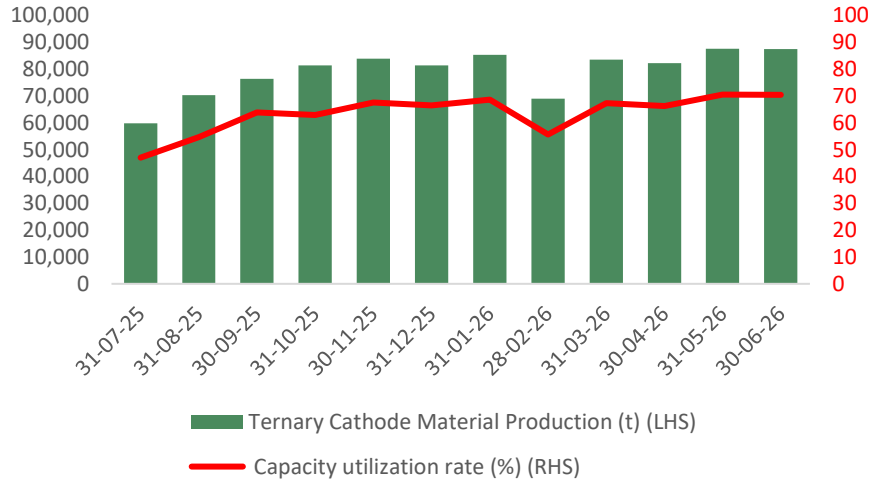
Chinese Refined Cobalt Production (t)



China Cathode Price (LCO vs NCM 6 series)



CAM China production



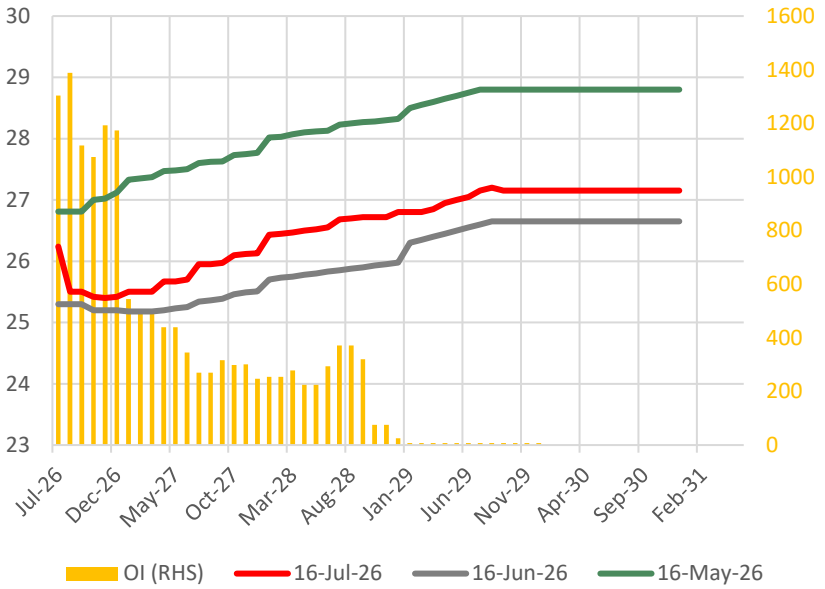
Sources: Fastmarkets, SMM, Trade Data, Voltaire Minerals Analysis

Cobalt Futures

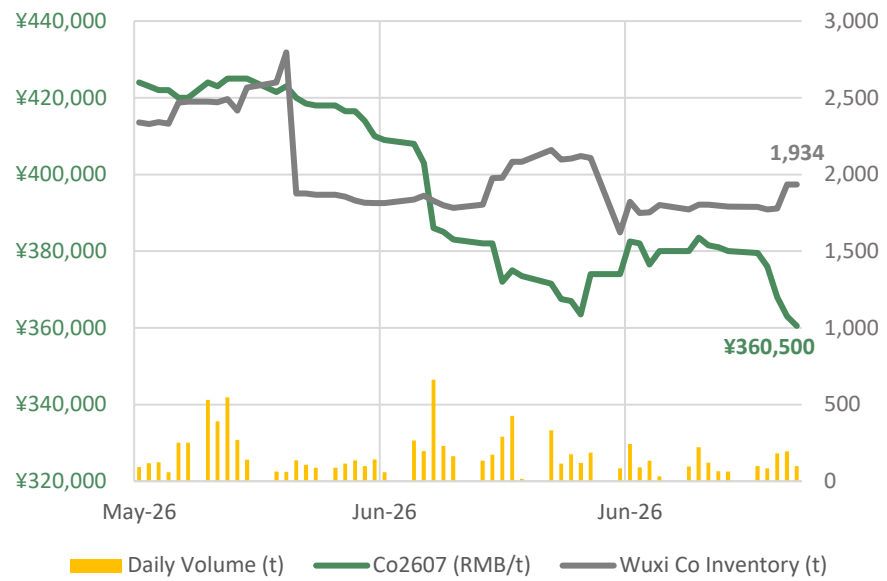
CME and Wuxi falls as summer off-season sets In

- The CME forward curve weakened this week as the front-end (Cal 26) decreased 1.38%. This shift increased the Jul26-Jul28 spread to $0.91/lb (still just a 1.72% annualized contango) against just $0.64/lb a week ago.
- Activity remained high this week, clearing 1,008t over the last 5 sessions vs. 946t the week prior.
- Flow was led by Q4-26 with 394t (split between Oct26 with 134t, Nov26 128t, and Dec26 132t). There was more activity further down the curve with 246t traded in Q1 27 and 105t during Q3 28.
- Wuxi futures resumed a lower pattern in China this week this week with prices falling from Rmb380,000/t to Rmb360,500/t ($24.13/lbs VAT included vs $25.40 the previous week).
- Downstream players entered their summer break/maintenance with sluggish purchasing willingness. Fundamentals showed no significant change, though thin trading and bearish sentiment triggered minor fund outflows weighing on prices with July the traditional consumption off-season.
- 20d, 60d and 120d realized volatility on the Wuxi all fell below 19%. Exchange inventories were broadly flat week-on-week around 1,900t.

CME Cobalt Forward Curve



Wuxi Cobalt Metal Price



Date	CME Cobalt ($/lbs)	W-o-W change (%)	M-o-M change (%)
Q3 26	$ 25.75	(0.87%)	1.56%
Q4 26	$ 25.41	(1.88%)	0.93%
Q1 27	$ 25.50	(1.49%)	1.07%
Q2 27	$ 25.68	(1.98%)	1.60%
Cal 26	$ 25.58	(1.38%)	1.25%
Cal 27	$ 25.81	(1.48%)	1.77%
Cal 28	$ 26.61	(1.95%)	2.76%
Cal 29	$ 27.03	(3.55%)	1.58%
Cal 30	$ 27.15	(3.55%)	1.69%

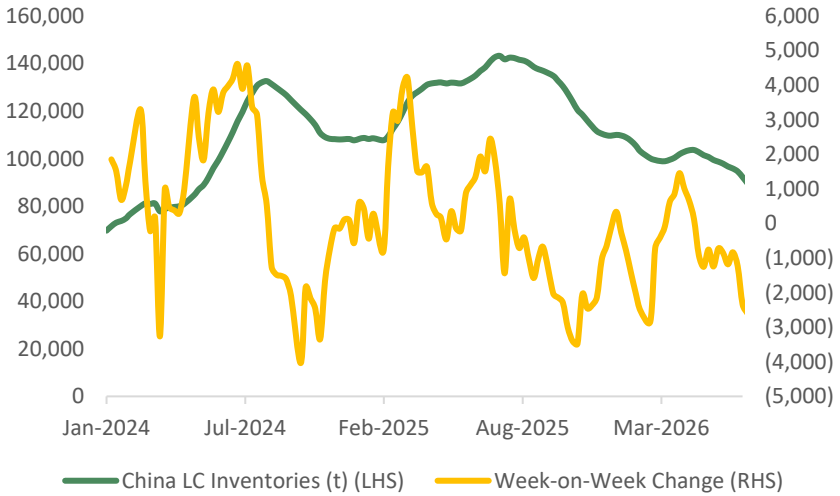
Date	Wuxi Co Inventory (t)	Daily Volume (t)	Co2607 (RMB/t)	Co2607 (USD/lbs) VAT incl.	FMSG Low (USD/lbs)
17-Jul-26	1,934	99	¥ 360,500	$ 24.13	$ 25.50
16-Jul-26	1,934	195	¥ 363,000	$ 24.29	$ 25.50
15-Jul-26	1,778	181	¥ 368,000	$ 24.63	$ 25.50
14-Jul-26	1,773	83	¥ 376,000	$ 25.16	$ 25.50
13-Jul-26	1,789	98	¥ 379,500	$ 25.40	$ 25.50
10-Jul-26	1,792	62	¥ 380,000	$ 25.43	$ 25.50

Sources: CME, Wuxi, Voltaire Minerals Analysis

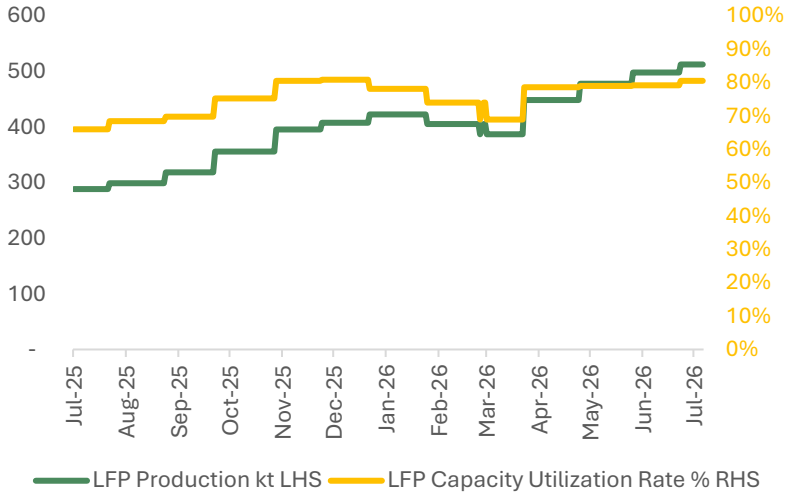
H1-26 recap: Lithium demand climbs on EV and ESS growth but surging iron phosphate costs squeeze LFP margins

- Lithium carbonate demand grew steadily alongside supply during H1 2026, with monthly consumption rising from around 124,700 mt in January to 151,000 mt in June, a cumulative increase of 21%, driven by both power (EV) and energy storage (ESS) applications.
- Lithium hydroxide total production reached 172,000 t in H1, up 21% YoY, though industry operating rates stayed below 50% amid ongoing overcapacity.
- In the LFP cathode segment, iron phosphate prices rose from around RMB 10,000/t at end 2025 to RMB 15,000/t in June, an increase of over 40%, pushing up processing fees. Iron phosphate now accounts for over 70% of LFP processing costs, significantly squeezing margins. Sulphur prices are closely linked to iron phosphate prices, since sulphur is the primary feedstock used to produce sulphuric acid, which is then used to manufacture phosphoric acid, a key raw material for iron phosphate ($FePO_4$), the precursor to LFP cathodes.
- Sales of power and energy storage batteries totalled 979.4 GWh in H1, up 48.6% YoY, with power (EV) battery sales rising 36.2% to 661.3 GWh and energy storage (ESS) battery sales up 83.4% to 318.1 GWh. Energy storage accounted for 32.5% of total battery sales in the period.
- LFP chemistry continued to strengthen its dominance domestically, accounting for 81% of total power battery installations in H1 with volumes up 11.5% YoY to 272.0 GWh, while NCM installations rose 14.2% YoY to 63.4 GWh, an 18.9% share.
- Looking into H2, analysts expect continued destocking to support the lithium carbonate market, with the LFP market expected to remain in tight balance through the remainder of 2026.

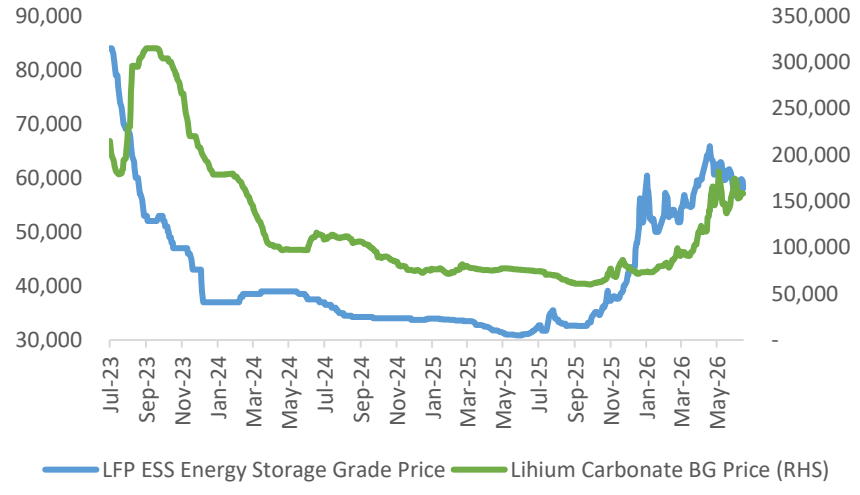
China LC Inventories (Old Methodology)



China LFP Production YTD (kt units)



BESS LFP Battery vs. Li carbonate price (RMB/t)



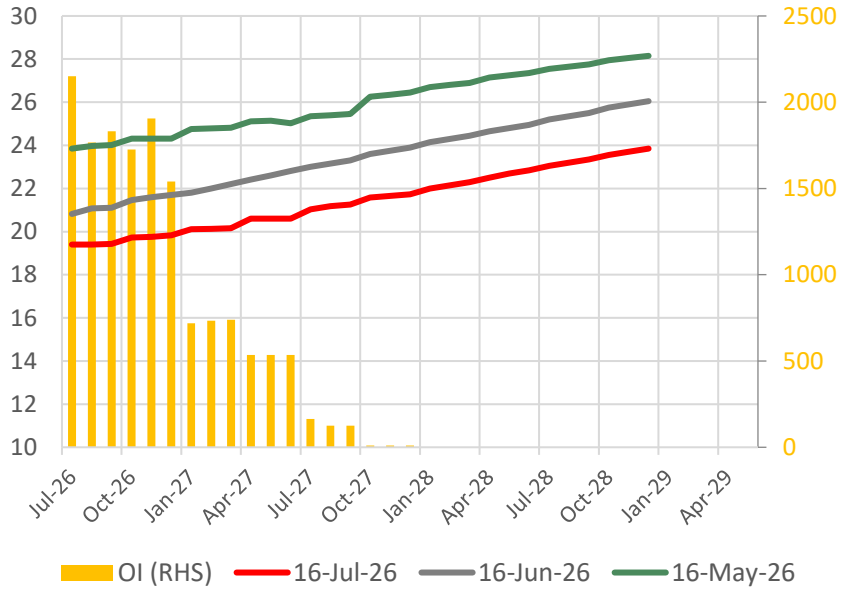
Sources: Mysteel, Horizon Insights, SMM, Voltaire Minerals Analysis

Lithium Futures

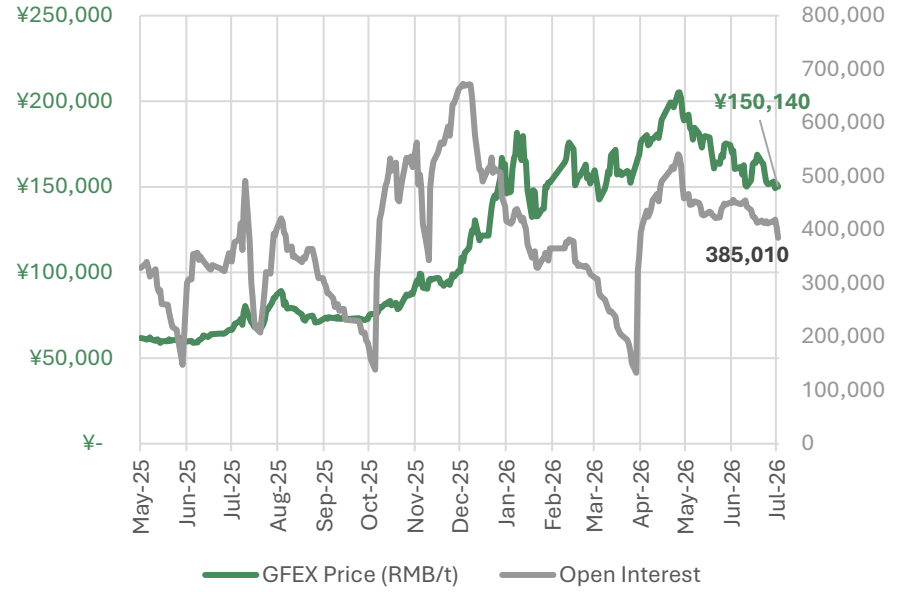
Futures price down 10% in July as market fears supply restarts despite tightening fundamentals

- The CME LiOH futures curve saw a parallel shift down 0.5%-1% across the curve. The futures curve is now between 7.0% and 8.5% lower than it was a month ago.
- Trading activity for LiOH was up this week with 2,244t traded vs. 2,012t the previous week.
- GFEX lithium carbonate futures fell 10% since the beginning of July. The selloff came despite fundamentally constructive supply data: Mysteel estimates China's lithium carbonate market ran a supply deficit of around 11,000 tonnes in June, and July potentially seeing the largest monthly gap at around 17,446 tonnes.
- The disconnect between tightening fundamentals and falling prices reflects speculative pressure around anticipated supply additions, with the expected restart of Jianxiawo CATL and DRC Zijin Mining Manono rapid expansion commissioning.
- On fund flows, market volatility is increasing alongside a more pessimistic narrative AI-related sectors, though fund flows have not yet returned to the New Energy value chain.

CME Lithium Hydroxide Forward Curve



GFEX Li2CO3 closing prices & OI



Date	CME Lithium Hyd ($/kg)		W-o-W change (%)	M-o-M change (%)
Q3 26	$	19.41	(0.51%)	(7.00%)
Q4 26	$	19.77	0.34%	(7.50%)
Q1 27	$	20.13	(0.10%)	(8.30%)
Q2 27	$	20.60	(0.56%)	(8.65%)
Cal 26	$	19.59	(0.09%)	(7.25%)
Cal 27	$	20.89	(1.00%)	(8.61%)
Cal 28	$	22.93	(3.10%)	(8.59%)

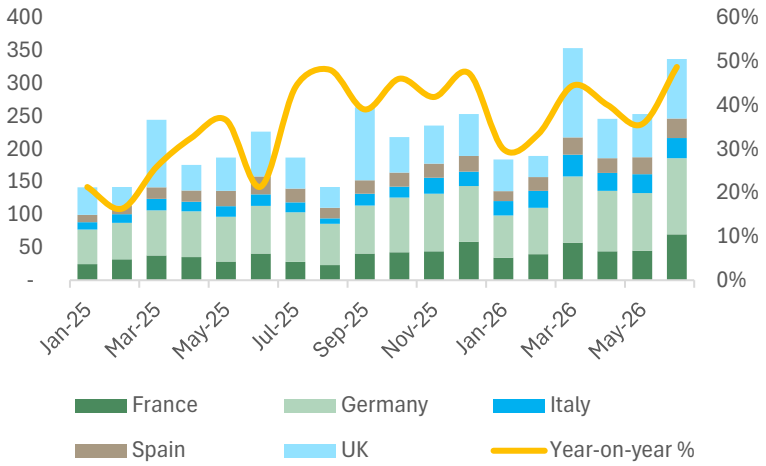
Date	Daily Inventory	Daily Volume	Open Interest	Price Change (%)	GFEX Price (RMB/t)	
17-Jul-26	40,345	222,081	385,010	-1.00%	¥	150,140
16-Jul-26	41,231	291,773	404,234	1.62%	¥	151,660
15-Jul-26	42,420	247,128	418,746	-2.57%	¥	149,240
14-Jul-26	42,903	147,468	414,398	0.62%	¥	153,180
13-Jul-26	42,406	182,995	415,469	0.42%	¥	152,240
10-Jul-26	42,067	184,064	411,866	-0.93%	¥	151,600

Sources: CME, GFEX, Voltaire Minerals Analysis

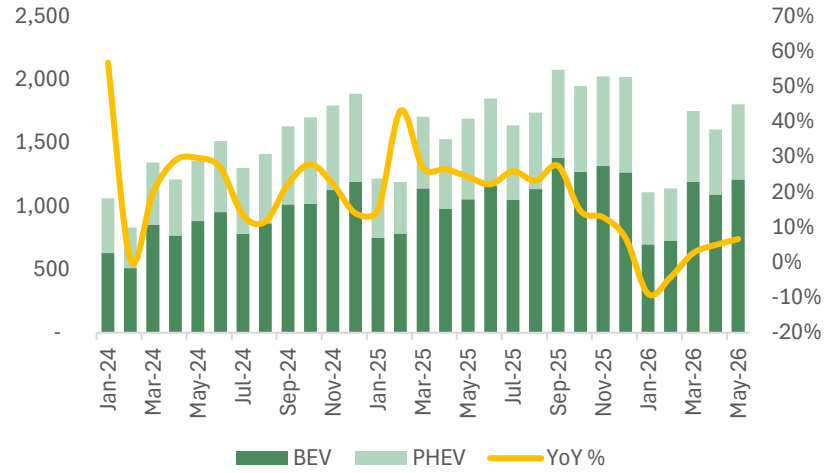
Chinese carmakers and battery makers turn to Europe as home market weakens

- China's electric vehicle industry is becoming increasingly dependent on overseas markets as domestic demand weakens. Chinese passenger vehicle sales fell 14% year-on-year in H1 2026, triggering an intense competitive environment in which manufacturers launched around 650 new or refreshed models in the first half of the year. The rapid pace of product launches and ongoing price competition are putting pressure on profitability, encouraging automakers to redirect production to export markets.
- Exports are emerging as the industry's main growth engine. Tesla became China's sixth-largest vehicle exporter after overseas shipments from its Shanghai Gigafactory more than tripled in June, highlighting how both foreign and domestic manufacturers are increasingly using China as a global export base.
- Europe is becoming one of the key destinations for these exports. As shown in the chart, EU5 EV sales remain strong, with monthly registrations recovering to record levels and year-on-year growth remaining robust. At the same time, Spain is positioning itself as a strategic manufacturing hub by attracting major Chinese investments, including the CATL-Stellantis battery plant, the Chery-Ebro Motors joint venture and the BAIC-Santana Motors partnership.
- Spain's strategy reflects a pragmatic approach to China's growing automotive presence. Rather than restricting investment, it seeks to combine Chinese capital and technology with local manufacturing and employment. While this could strengthen Europe's EV manufacturing base and reduce imports of finished vehicles, it may also deepen Europe's dependence on Chinese-controlled upstream supply chains for critical minerals, battery materials and core technologies.

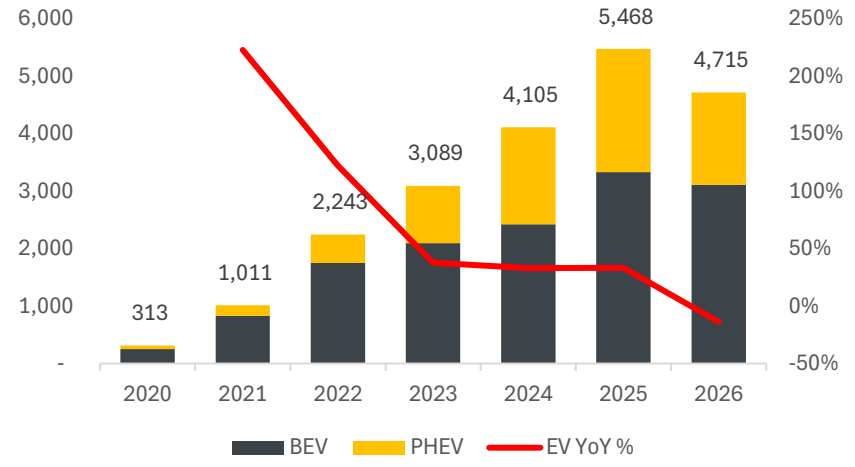
EU5 monthly EV sales by country ('000s)



Global EV sales ('000s)



China Jan-Jun EV sales comparison ('000s)



Source: CPCA, PFA, SMMT, KBA, UNRAE, ANFAC, Voltaire Minerals analysis.

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