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metal&ROCK | Europe

# Could Lithium Rally?

Short-term risks for lithium prices look skewed to the upside with delays to the restart of a key Chinese mine and the upcoming Zimbabwe export ban for lithium concentrate. ESS demand remains strong, with market estimates for ESS shipments being revised higher too.

## Key Takeaways

- Lithium is trading at our Q4 price target but emerging supply challenges skew price risks higher from here, while ESS demand remains strong.
- We are monitoring progress on CATL's lepidolite mine restart with permit delays and questions over tailings solutions.
- Zimbabwe's lithium concentrate export ban is due to take effect without enough processing capacity which could temporarily tighten the market.
- Medium term, lithium still looks oversupplied and prices are trading well above the cost curve, meaning upside is likely to be more tactical.

**Supply risks bring potential upside for lithium**: We currently model lithium moving from a deficit in 2026 to a small surplus in 2027. However, supply risks are building, with no restart yet of CATL's Jianxiawo mine as permitting is delayed and tailings solutions remain unresolved, while Zimbabwe's export ban of unprocessed lithium may come in before sufficient processing capacity is operational. If CATL's mine does not restart and Zimbabwe does not release additional export quotas, our 2027 balance would likely swing from a surplus to a small deficit, at least for 1H.

**ESS demand remains strong too:** ESS cell shipments are up 94% YTD, already delivering 54% of our FY estimate (887 GWh). Both InfoLink and Albemarle have revised forecasts up, to 1026 GWh and 900-1100 GWh respectively, on strong book-to-bill ratios at suppliers. China's phase out of the VAT rebate on battery exports from Jan 2027 could also support volumes into year end. The EV picture looks more mixed, but the 12% drop in China EV sales has only been accompanied by a 2.5% drop in output with a >100% surge in exports on stronger ex-China markets.

**MS Outlook:** China Lithium carbonate prices of 150k RMB/t ($20k/t LCE) are in line with our Q4 forecast but we think short term risks are now skewed higher, especially if China's lepidolite mines in the Yichun province remain offline and Zimbabwe's lithium concentrate export ban starts as planned in January. A surge in battery shipments before the VAT rebate roll-off could help too. **Risks**: If restarts in China come more quickly and Zimbabwe is more flexible with temporary export quotas, the lithium balance should loosen, while EV sales weakness may offset ESS strength. On a medium term view, lithium continues to trade well above its cost curve, with a number of mine restarts announced - we see a downward price trajectory into the end of the decade.

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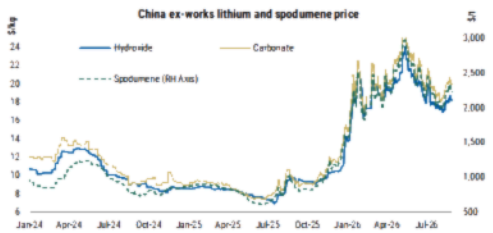
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**Exhibit 1 :** Lithium carbonate is trading in line with our Q4 forecast but we think risks are skewed higher for now




Source: Fastmarkets, Morgan Stanley Research

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# Lithium

## A finely balanced market

The lithium market tightened in 2H 2025 and early 2026, supported by accelerating demand from ESS and a relatively slow supply response to higher prices. From here, we see the market tipping into a surplus of 88 kt in 2027 as some mine restarts come through while there is also growth in Argentina, Brazil, Zimbabwe and China. The surplus rises further in 2028/2029 as lithium output growth continues, the pace of ESS adoption slows and sodium-ion batteries start to take more market share.

However, the 88 kt surplus for 2027 is not particularly large in the context of the size of the lithium market, and we highlight potential upside risks from a few key supply sources, in particular China's Jiangxi province and Zimbabwe.

## Key supply risks to watch

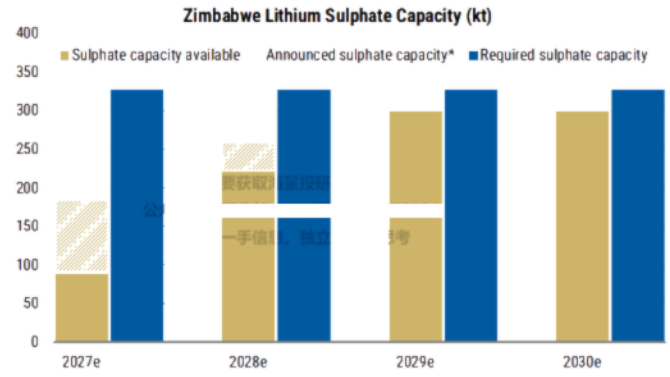
### Zimbabwe: Export ban may come before processing capacity is ready

**Zimbabwe is forcing downstream development:** Zimbabwe has rapidly developed into a meaningful lithium producer, particularly in the form of spodumene concentrates which feed China's downstream lithium industry. However, the country has progressively restricted lithium exports, aiming to incentivise development of domestic beneficiation capacity. A full ban on shipments of lithium concentrate is due to take effect on 1 January 2027, but Zimbabwe also temporarily suspended exports in February, before releasing specific quotas only granted to companies who commit to developing domestic processing facilities. A 10% export tax on concentrate is also in place until a full ban on shipments takes effect.

**The impact of restrictions this year has already shown up in China's imports:** Zimbabwean spodumene arrivals in China have fallen significantly from May, with March and April data likely still recording volumes shipped prior to the restrictions. May-Jul Chinese imports from Zimbabwe have averaged 42 kt per month (~5 kt LCE), down from 100 kt/month (~11 kt LCE), which may be adding some supply pressure on China's converters.

**And there may be insufficient sulphate capacity next year to accommodate mine production:** Currently, only Huayou Cobalt's 50 ktpa lithium sulphate plant at the Arcadia mine is operational, ramping up to full capacity through 2026. First sulphate was shipped to China in April and arrivals in China have reached 2.7 kt YTD, according to Global Trade Tracker. Elsewhere, Sinomine is constructing a 100 ktpa sulphate plant at its Bikita mine, expected to be ramped up in phases, with the first 60 ktpa phase starting in Q3 2027. A 75 ktpa sulphate plant is also under construction at Yahua Group's Kamatavi mine, while Chengxin Lithium is planning a 75 ktpa plant at Sabi Star. However, by 1 January when the lithium concentrate export ban is due to take effect, operating capacity will fall well short of what is required, likely only able to process <1/3 of Zimbabwe's mine output. If more concentrate export quotas are not received, this could significantly weigh on Zimbabwe's exports (and potentially production) for at least 1H27.

**Exhibit 2:** We expect Zimbabwe to have insufficient lithium sulphate capacity when the concentrate export ban takes effect




Source: Morgan Stanley Research estimates, *Announced capacity not fully incorporated in 2027 & 2028 assuming projects require a ramp-up period

**Exhibit 3:** China's spodumene imports from Zimbabwe have slowed significantly from May




Source: Global Trade Tracker

**Uncertainty remains:** The clear gap between production expectations versus what can be converted at sulphate plants leaves significant uncertainty for next year. In August, the government rejected a request from the Lithium Producers Association of Zimbabwe to defer the export ban by six months. However, producers may still be granted export quotas for 2027, similar to what we have seen this year. The government may be incentivised to permit exports under a quota system to maintain collection of tax revenues, whilst company commitments to sulphate plant development may reassure the government that their longer term ambitions will come to fruition. Nevertheless, strict enforcement of the export ban and absence of quotas would likely result in a meaningful slowdown in Zimbabwean lithium exports.

**Jiangxi Lepidolite: Constrained by permitting delays:**

Lepidolite production in China's Jiangxi province has been disrupted since August 2025 as the local authorities tighten rules on permitting. The largest of these, CATL's 100 kt LCE Jianxiawo lepidolite mine, has been widely expected to restart this year after it was closed since August 2025 when its mining license expired. The change in its mineral designation from ceramic to ore has been done while updated environmental approval and permitting is ongoing and appeared to be making progress. However, in late August, Yichun Ecology & Environment Bureau withdrew the proposed acceptance/public notice for the mine's environmental impact assessment (EIA). The bureau says it will re-publish only after verifying that the process meets requirements, bringing an additional delay to the process.

On top, we note the EIA is only for the mining project, with potential for another EIA required for the associated beneficiation plant and tailings. Benchmark Minerals highlighted issues around "inadequate tailings pond impermeability and its proximity to a nearby river system". Our current modelling is for output of 35 kt in 2026, 60 kt in 2027 and 92 kt in 2028 but the 2026 and 2027 numbers in particular could be at risk unless there is further progress soon.

Other mines in the region are also facing disruption as they await licenses or environmental checks too, but these are smaller than CATL's mine.

## EV demand improving ex-China

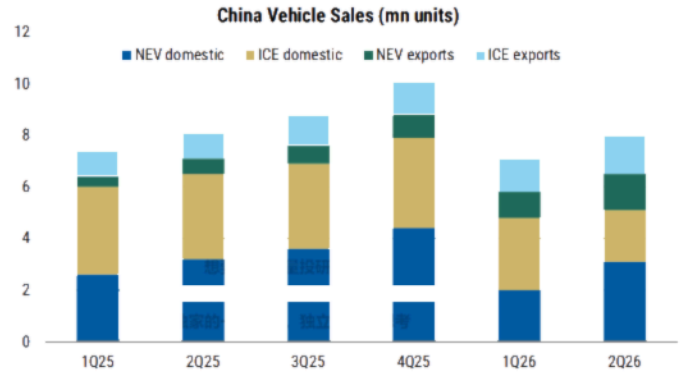
**EV demand is looking stronger outside of China, while exports are supporting domestic Chinese output:**

**China EV sales are softening with reduced incentives, but exports fill some of the gap:** China's overall vehicle sales were down 20% YoY in 1H, with EV sales down 12% and ICE sales down 28%. However, if exports are included too, volumes were only down 2.5% as surging exports offset weaker domestic demand. The IEA reports China's EV exports rose 120% YoY in 1H26 and overall vehicle exports rose 65%. However, the IEA also flags that 1 mln cars exported from China haven't been reported as sales anywhere else yet, suggesting there could be some inventory overhang to come.

**China's EV export mix is worth watching:** BEVs remain the dominant driver of China's overall increase in export volumes this year, with YTD BEV exports growing 108% to over 1.6 mln units, according to CPCA data. However, the proportion of BEVs in China's EV export mix been trending downward, declining to 59% in July from 65% a year earlier. PHEV export volumes have surged 160% to 1.0 mln units YTD, with their share of total NEV exports rising to 36% in July compared to 33% in the same period last year. The IEA reported that average PHEV batteries were approximately 20-25 kWh in 2025, compared to 60-70 kWh for BEVs, implying a lower lithium intensity than their BEV counterparts. Overall, the export story in China remains strong, but the rise of PHEVs may be limiting some of the upside in lithium demand.

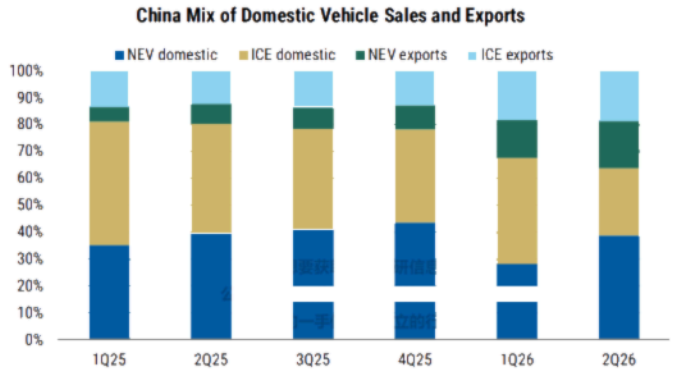
**Ex-China EV sales doing better:** The IEA forecasts overall EV sales to rise 10% YoY in 2026 (MSe 7.7%), noting that Australia, Brazil, India, Korea and Vietnam have all seen sales of EVs double YoY in Q2, likely driven by the move in oil prices.

**Exhibit 4:** China's EV sales have fallen sharply with lower incentives




Source IEA

**Exhibit 5:** Exports have been making up a growing share of output




Source IEA

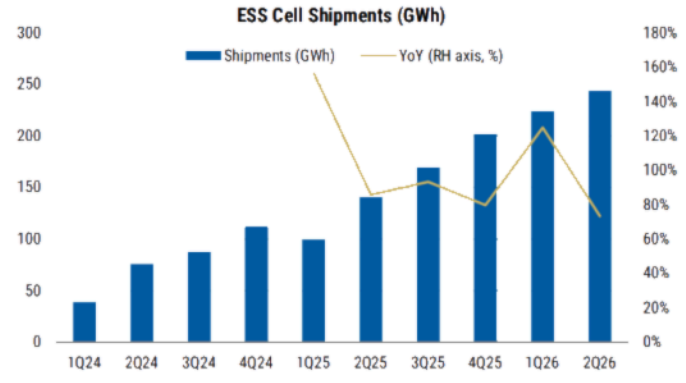
## ESS remains strong

ESS has emerged as the key demand growth driver for lithium. Shipments nearly doubled YoY in 2025, driven by China's decarbonisation push and renewable energy trading mechanism. Use cases are widening too, with data centres increasingly looking to ESS to provide backup power and respond to demand spikes, supporting 20% YoY growth in China's storage battery exports.

In 1H 2026, Infolink reported ESS cell shipments of 468 GWh, up 94% YoY. We currently model the growth rate to slow in 2H as the base gets higher, forecasting FY shipments of 887 GWh (+45% YoY). However, risks skew to the upside for 2H, with a potential scramble to export batteries before China's VAT rebate rolls off from January.

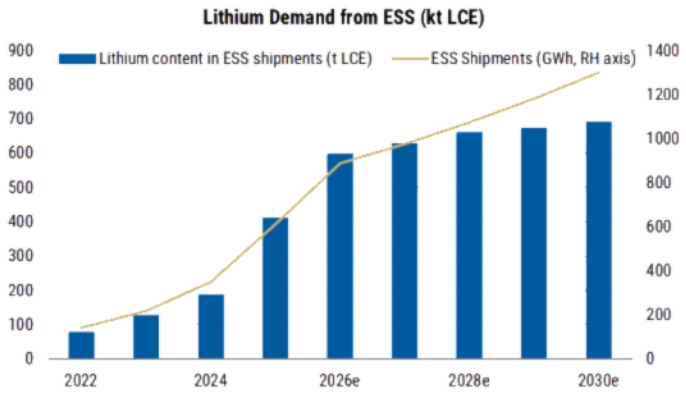
Other sources are already using higher estimates. Infolink recently raised its 2026 shipment forecast to 1,026 GWh (+67%) YoY, noting book-to-bill ratios >1.2 at many suppliers. Albemarle (covered by Vincent Andrews) sees 900-1,100 GWh of ESS shipments in 2026 and 1500-2000 GWh by 2030 (MSe 1300 GWh in 2030), implying upside risks to our forecasts.

**Exhibit 6:** FSS shipments continue to rise but growth rate has been moderating as the base gets higher




Source: Infolink Consulting

**Exhibit 7:** We model lithium demand from FSS to stabilise from 2027 as sodium-ion adoption increases




Source: Infolink Consulting, Morgan Stanley Research estimates

CATL is also accelerating battery plant construction plans. With its 1H26 results, CATL reported that it had 764 GWh of battery capacity under construction, up from 321 GWh at 2H25 results and current capacity of 525 GWh (running at 95% utilisation). On top, the company said that most of the capacity under construction would come online over the next two years. Our colleague, Jack Lu , noted "CATL's market share strategy has turned notably more aggressive".

SQM (covered by Javier Martinez de Olcoz Cerdan) highlighted strong demand from ESS, alongside EVs, supporting an increase in its lithium demand expectations. The company raised its 2026 lithium demand forecast to 2.1 Mt LCE, from 1.9 Mt LCE, in its 2Q 2026 results, which aligns with our modelling for this year. However, SQM did also acknowledge the divergence between ESS shipments and installations, highlighting on its 2Q 2026 earnings call that "for the following years, we might see some slowdown in the pace at which the BESS battery implementation is growing."

One factor that could moderate the support for lithium demand towards the end of the decade is the pace of adoption of sodium-ion batteries where a 30-40% cost advantage over LFP batteries plus improved energy density to a level on par with LFP (see here). We model sodium-ion batteries taking a 5% share in ESS in 2027, rising to 26% by the end of the decade - this stabilises our lithium demand estimate even as ESS shipments keep rising. We will monitor progress in 2027 to see if initial adoption starts to rise.

### What about the gap between ESS shipments and installations?

Over the last year or so, a growing gap has emerged between ESS installations (~300-350Wh in 2025) and shipments (>600 GWh in 2025). We highlighted this here, attributing the gap to potential time lags between shipments and installations, noting inventory build up is normal in a growing industry. Some utility scale ESS projects are also facing interconnection queues and other bottlenecks. Developers may also be buying ahead to lock in project economics or secure supply, while battery producers have also been pivoting from EV batteries to ESS, given the stronger demand outlook. However, at some point, the market may start to worry about a potential overhang of battery inventory and wonder whether the current shipment rate is sustainable.

Albemarle (covered by Vincent Andrews) discussed this in its recent earnings call, noting that in China, "installations are exceeding actual battery production" (Eric Norris, 6 Aug 2026), implying some catch up activity. "We can track sort of about a 1-year lag between when lithium is sold and when it goes into an installation. And the latter the installation number that's been announced, is larger than what's being produced today. "

However, SQM (covered by Javier Martinez) took a different view, noting it has "... seen much larger shipments of batteries for BESS than the actual deployments of those batteries". The company attributed this to some large projects taking longer as well as some pull forward of sales from 2027 ahead of the removal of China's battery export tax rebate (Pablo Hernández Mac-Donald, 19 Aug 2026).

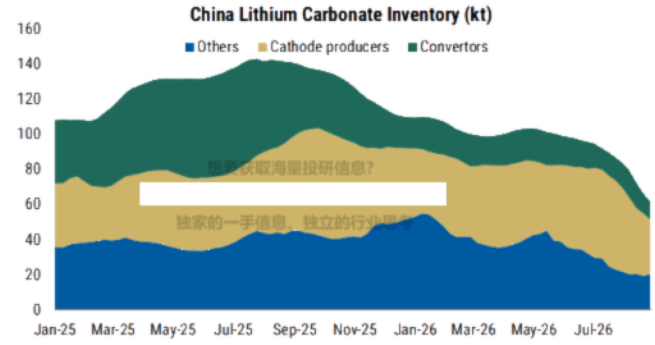
BNEF estimates for 2026 ESS installations are around 460 GWh, up 50% YoY, versus the 45% YoY growth in shipments that we model, but there is still a large gap to the shipment rate of 887 GWh. As such, this gap is worth monitoring and may be an overhang at some point in the future, particularly once China's VAT rebate is removed on battery exports.

## Inventories are low

**Lithium inventories are drawing in China:** China's lithium carbonate inventories have trended lower in 2026, falling from 109 kt at end-2025 to 62 kt by 27 August, a 44% decline YTD. The drawdown has accelerated through July and August amid plant maintenance and lower operating rates at spodumene and lepidolite converters. MySteel highlighted that reduced spodumene imports from Zimbabwe in July combined with the continued delay in the Jianxiawo restart has constrained carbonate production due to limited feedstock. Continued offtake from LFP battery makers has also supported demand, creating a pull on inventories.

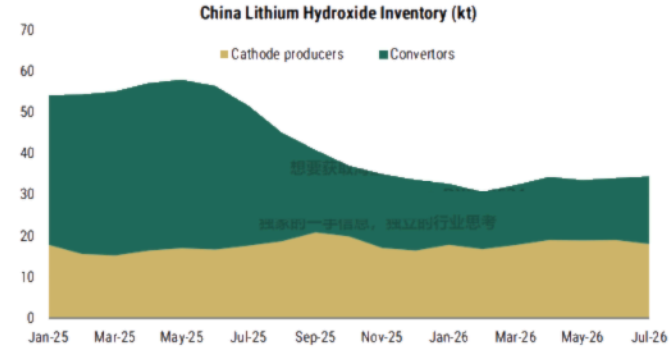
Lithium hydroxide inventories are also at low levels in China, around 34 kt in July, but have remained relatively stable through 2026. Hydroxide is geared more toward NMC batteries, therefore has less exposure to the dominant LFP battery production in China. Hydroxide producers also generally operate on a produce-to-order-basis, with flexible plants able to switch production toward carbonate or convert excess hydroxide inventory into carbonate too, which may have limited any gains in hydroxide inventories.

**Exhibit 8:** Lithium carbonate inventories in China have been drawing through 2026




Source: SMM, Morgan Stanley Research

**Exhibit 9:** While lithium hydroxide inventories have remained relatively stable




Source: SMM, Morgan Stanley Research

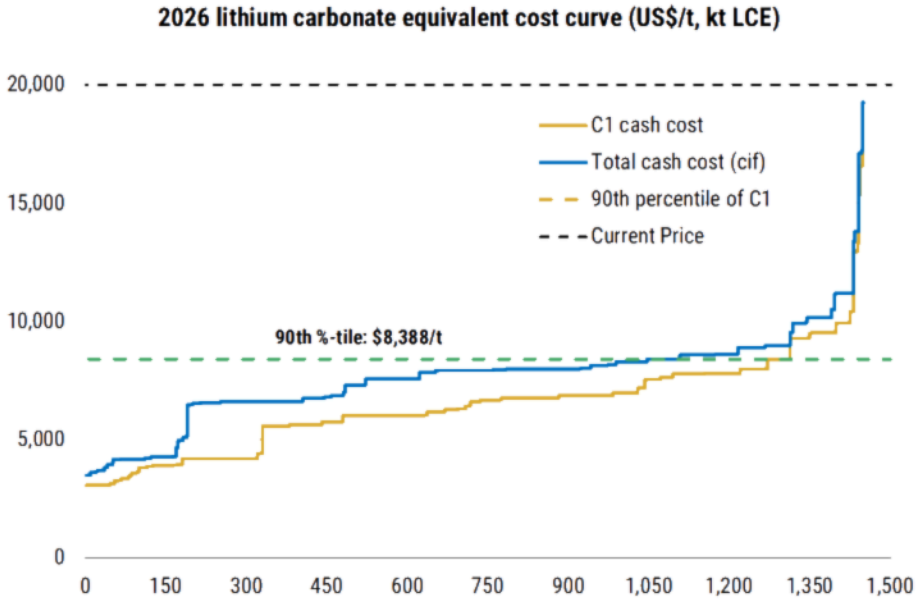
## But prices remain above the cost curve, which should limit the sustainability of rallies

The 90th percentile of the lithium extraction cost curve sits around $8,400/t LCE, close to where it found a floor in 2025. At this point, supply was starting to respond to lower prices, with some mines put on care and maintenance and some expansion projects delayed.

However, at $20,000/t today, lithium is about 150% higher than the 90th percentile, and most projects should be well in the money. The price recovery seen in 2H25 and 2026 has driven the restart of MinRes' Bald Hill mine (18kt LCE), Core Lithium's Finniss mine (11kt) and PLS' Ngungaju plant. MinRes also took FID for the Mt Marion expansion and Wesfarmers/SQM have approved a plan to double capacity at Mt Holland. (PLS, MinRes are covered by Rahul Anand).

Low prices in 2024/2025 also drove a focus on efficiency improvements which may bring further downward cost pressure. For example, Albemarle (covered by Vincent Andrews) notes it has achieved a $100mn run rate of cost and productivity improvements YTD, helping to offset "inflation and supply chain disruptions related to the situation in the Middle East".

**Exhibit 10:** Lithium is trading well above the cost curve




Source: Woodmac, Morgan Stanley Research

## MS Outlook

The lithium market is likely to be close to balanced in 2027 (MSe surplus of 88 kt) but supply risks are building. If further progress is not made soon on CATL's lepidolite mine restart, the 35 kt of production we model for 2026 will be at risk, while delays into 2027 would remove up to 60 kt LCE from our balance. The planned Zimbabwe lithium concentrate export ban also risks tightening supply temporarily, with less than one-third of the amount of sulphate conversion capacity needed likely to be online when the ban comes in. This could leave China's converters short of feedstock until the conversion capacity ramps up.

EV demand looks mixed, with softness in China being partly offset by strength ex-China, while ESS cell shipments could come in ahead of our FY estimate if the current pace continues. China's upcoming reversal of the VAT rebate on battery shipments may support a push to accelerate volumes into year end, but potentially leaves some overhang for 2027.

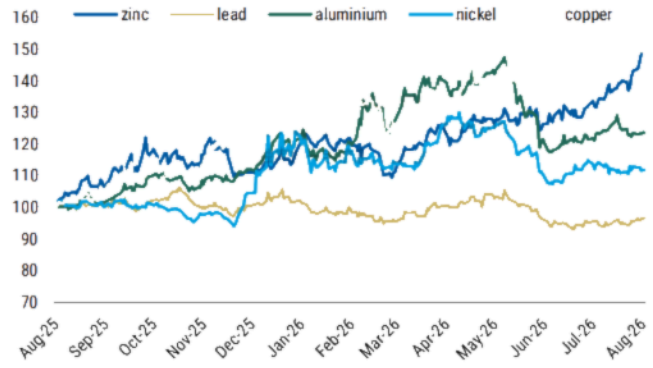
Inventories are low across both carbonate and hydroxide in China. Carbonate inventories, in particular, have seen a sharp draw through 2026 on reduced supply. Meanwhile, hydroxide inventories have been stable in 2026, but remain low relative to last year.

With lithium already trading at our 4Q 2026 forecast of $20k/t LCE and limited further downside in our estimates for 1H27 ($18.5-19k/t), we see risks temporarily more skewed to the upside if the supply risks we highlight materialise.

# Week in Review

**Base Metals:** Base metals were up across the board last week with the exception of nickel which fell below $17,000/t. Zinc was the best performer, up 1.4%, with rising timespreads and a tightening market. LME copper outperformed COMEX, with continued orders to withdraw metal from warehouses. Aluminium was flat WoW with EGA confirming it had restarted 25% of the pots at its Al Taweelah smelter.

**Exhibit 11:** Base metals price indices (12-month rolling)




Source: Bloomberg, Morgan Stanley Research

**Precious Metals:** Gold was on track to end the week lower while silver and platinum saw small gains and palladium rallied 8%. Focus was on Jackson Hole, with a more hawkish tone from Fed Chair Warsh when he spoke on Friday. A slightly stronger USD also weighed on the outlook for precious metals.

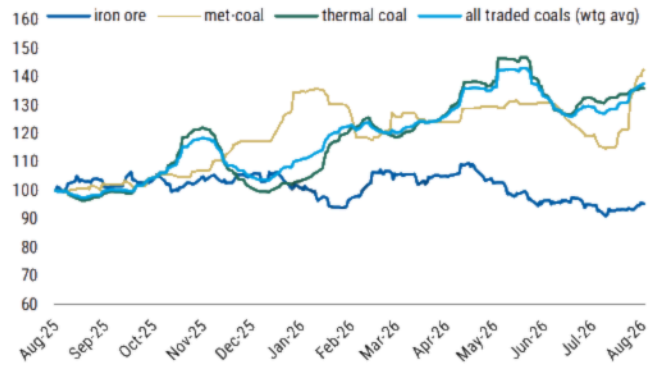
**Exhibit 12:** Precious metals indices (12-month rolling)




Source: Bloomberg, Morgan Stanley Research

**Bulks:** Bulks rose across the board. Iron ore rose 3.3% while met coal was the standout performer, up 6.2%. Met coal gained 6.3% WoW with improved seasonality, tight supply in China amid ongoing mine inspections and weaker volumes coming from Mongolia. Thermal coal lagged, up just 0.9%, despite stronger gas prices.

**Exhibit 13:** Bulk commodity price indices (12-month rolling)




Source: Platts, Bloomberg, Morgan Stanley Research

# Morgan Stanley Price Forecasts

**Exhibit 14:** Summary of Morgan Stanley's commodity price forecasts (set on 8 July 2026)

| commodity group | unit | 2Q 26a | 3Q 26e | 4Q 26e | 1Q 27e | 2Q 27e | 3Q 27e | 4Q 27e | 1Q 28e | 2025e | 2026e | 2027e | 2028e | 2029e | 2030e | 2031e | LT real | LT nom. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Base Metals** | | | | | | | | | | | | | | | | | | |
| LME Aluminium | US$/lb | 1.62 | 1.50 | 1.36 | 1.32 | 1.32 | 1.27 | 1.27 | 1.27 | 1.20 | 1.48 | 1.29 | 1.27 | 1.36 | 1.36 | 1.36 | 1.13 | 1.30 |
| | US$/t | 3,565 | 3,300 | 3,000 | 2,900 | 2,900 | 2,800 | 2,800 | 2,800 | 2,638 | 3,265 | 2,850 | 2,800 | 3,000 | 3,000 | 3,000 | 2,500 | 2,871 |
| LME Copper | US$/lb | 6.04 | 6.12 | 6.46 | 6.03 | 5.90 | 5.81 | 5.67 | 5.67 | 4.56 | 6.11 | 5.85 | 5.67 | 5.44 | 5.22 | 5.22 | 4.40 | 5.05 |
| | US$/t | 13,317 | 13,500 | 14,250 | 13,300 | 13,000 | 12,800 | 12,500 | 12,500 | 10,053 | 13,471 | 12,900 | 12,500 | 12,000 | 11,500 | 11,500 | 9,700 | 11,141 |
| COMEX Copper | US$/lb | 6.18 | 6.43 | 6.85 | 6.46 | 6.31 | 6.15 | 6.01 | 5.78 | 4.85 | 6.32 | 6.23 | 5.78 | 5.55 | 5.32 | 5.32 | #N/A | #N/A |
| | US$/t | 13,627 | 14,175 | 15,105 | 14,231 | 13,910 | 13,568 | 13,250 | 12,750 | 10,691 | 13,935 | 13,740 | 12,750 | 12,240 | 11,730 | 11,730 | #N/A | #N/A |
| LME Nickel | US$/lb | 8.20 | 7.48 | 7.48 | 7.94 | 7.94 | 7.94 | 7.48 | 7.48 | 6.94 | 7.76 | 7.82 | 7.48 | 7.71 | 8.16 | 8.16 | 7.44 | 8.54 |
| | US$/t | 18,080 | 16,500 | 16,500 | 17,500 | 17,500 | 17,500 | 16,500 | 16,500 | 15,294 | 17,101 | 17,250 | 16,500 | 17,000 | 18,000 | 18,000 | 16,400 | 18,836 |
| LME Zinc | US$/lb | 1.57 | 1.54 | 1.61 | 1.50 | 1.47 | 1.41 | 1.32 | 1.32 | 1.31 | 1.55 | 1.42 | 1.32 | 1.32 | 1.36 | 1.36 | 1.27 | 1.46 |
| | US$/t | 3,457 | 3,400 | 3,550 | 3,300 | 3,250 | 3,100 | 2,900 | 2,900 | 2,879 | 3,410 | 3,138 | 2,900 | 2,900 | 3,000 | 3,000 | 2,801 | 3,217 |
| LME Lead | US$/lb | 0.89 | 0.86 | 0.88 | 0.88 | 0.91 | 0.93 | 0.95 | 1.00 | 0.90 | 0.88 | 0.92 | 1.00 | 1.01 | 1.13 | 1.13 | 1.02 | 1.17 |
| | US$/t | 1,955 | 1,900 | 1,950 | 1,950 | 2,000 | 2,050 | 2,100 | 2,200 | 1,978 | 1,934 | 2,025 | 2,200 | 2,238 | 2,500 | 2,500 | 2,250 | 2,584 |
| **Precious Metals** | | | | | | | | | | | | | | | | | | |
| Gold | US$/oz | 4,521 | 4,200 | 4,450 | 4,700 | 4,900 | 5,100 | 5,200 | 4,500 | 3,469 | 4,509 | 4,975 | 4,500 | 4,000 | 4,000 | 4,000 | 2,500 | 2,871 |
| Silver | US$/oz | 73.1 | 64.6 | 65.4 | 67.1 | 70.0 | 72.9 | 74.3 | 64.3 | 40.5 | 71.7 | 71.1 | 64.3 | 57.1 | 57.1 | 57.1 | 31.3 | 35.9 |
| Platinum | US$/oz | 1,930 | 1,550 | 1,580 | 1,610 | 1,660 | 1,710 | 1,760 | 1,810 | 1,291 | 1,819 | 1,685 | 1,900 | 2,095 | 2,148 | 2,202 | 1,940 | 2,228 |
| Palladium | US$/oz | 1,425 | 1,100 | 1,150 | 1,200 | 1,250 | 1,275 | 1,300 | 1,300 | 1,160 | 1,349 | 1,256 | 1,312 | 1,345 | 1,379 | 1,414 | 1,250 | 1,436 |
| **Bulks** | | | | | | | | | | | | | | | | | | |
| Iron Ore (fines 61% Fe, cfr N.China) | US$/t | 105 | 93 | 92 | 92 | 92 | 92 | 95 | 95 | 102 | 99 | 93 | 94 | 100 | 100 | 100 | 90 | 103 |
| Hard Coking Coal (spot, fob Aus) | US$/t | 238 | 230 | 235 | 230 | 225 | 225 | 230 | 220 | 188 | 235 | 228 | 214 | 215 | 215 | 215 | 191 | 219 |
| Thermal coal (spot, fob Newc) | US$/t | 135 | 145 | 140 | 140 | 135 | 125 | 125 | 125 | 107 | 136 | 131 | 124 | 130 | 135 | 135 | 120 | 138 |
| **Other** | | | | | | | | | | | | | | | | | | |
| Manganese ore (44%) | US$/mtu | 5.3 | 5.4 | 5.4 | 5.4 | 5.5 | 5.5 | 5.5 | 5.6 | 4.6 | 5.3 | 5.5 | 5.6 | 5.7 | 5.8 | 5.8 | 5.2 | 6.0 |
| Alumina (spot, fob Aus) | US$/t | 308 | 320 | 320 | 325 | 325 | 325 | 325 | 350 | 362 | 314 | 325 | 350 | 380 | 400 | 436 | 380 | 436 |
| Lithium carbonate (spot China, ex-VAT) | US$/t | 22,370 | 24,000 | 20,000 | 19,000 | 18,500 | 18,000 | 18,000 | 17,000 | 9,300 | 21,433 | 18,375 | 16,000 | 14,000 | 14,000 | 16,000 | 14,800 | 16,998 |
| Cobalt | US$/lb | 26.5 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 20.0 | 17.5 | 26.6 | 27.0 | 17.5 | 15.0 | 15.0 | 17.5 | 14.0 | 16.1 |
| Uranium - spot | US$/lb | 85.2 | 90.0 | 95.0 | 100.0 | 100.0 | 95.0 | 90.0 | 85.0 | 73.5 | 89.7 | 96.3 | 85.0 | 70.0 | 70.0 | 70.0 | 61.0 | 70.1 |
| **Exchange Rates** | | | | | | | | | | | | | | | | | | |
| 1 AUD = USD | | 0.71 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.70 | 0.65 | 0.70 | 0.70 | 0.70 | 0.70 | 0.69 | 0.69 | 0.71 | 0.70 |
| 1 USD = BRL | | 5.05 | 5.24 | 5.34 | 5.45 | 5.55 | 5.62 | 5.64 | 5.67 | 5.72 | 5.22 | 5.57 | 5.70 | 5.80 | 5.89 | 5.99 | 5.08 | 6.05 |
| 1 USD = CAD | | 1.38 | 1.36 | 1.36 | 1.36 | 1.36 | 1.36 | 1.37 | 1.28 | 1.40 | 1.37 | 1.36 | 1.28 | 1.28 | 1.28 | 1.28 | 1.29 | 1.29 |
| 1 USD = ZAR | | 16.48 | 16.50 | 16.62 | 16.75 | 16.87 | 17.00 | 17.13 | 17.26 | 17.82 | 16.49 | 16.94 | 17.45 | 17.98 | 18.53 | 19.09 | 17.00 | 22.26 |
| 1 EUR = USD | | 1.16 | 1.16 | 1.17 | 1.17 | 1.17 | 1.18 | 1.18 | 1.18 | 1.14 | 1.17 | 1.18 | 1.19 | 1.20 | 1.21 | 1.23 | 1.26 | 1.23 |
| 1 USD = CNY | | 6.81 | 7.00 | 7.05 | 7.03 | 7.00 | 6.98 | 6.95 | 7.00 | 7.18 | 6.95 | 6.99 | 7.15 | 7.12 | 7.01 | 6.89 | 7.90 | 6.97 |

Source: LME, Bloomberg, Platts, Morgan Stanley Research estimates (e). Note: Exchange rate forecasts are the assumptions that are compiled and used by Global Resources Equity Team; all prices are nominal, unless otherwise indicated.

# Commodity Thermometer

**Exhibit 15:** Metals & Mining Commodity Thermometer

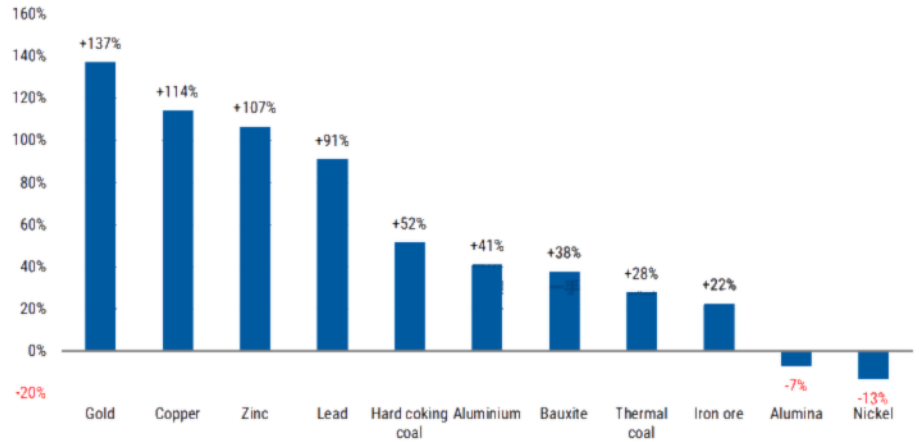
| Commodity | Bearish | Neutral | Bullish | Thesis |
|---|---|---|---|---|
| COMEX Copper | | | | COMEX copper should outperform if US copper import tariffs are announced with delayed implementation, or if the decision is delayed, but ruling out tariffs completely would bring downside. |
| Uranium | | | | Uranium should rise on strong spot demand, improving contracting activity and tight mined supply. |
| Gold | | | | Gold's risk-reward looks positive from here if the US Fed can avoid rate hikes. A continued decline in oil prices should also reduce pressure from central bank selling, while China has been accelerating purchases in recent months. |
| LME Copper | | | | LME copper should also be dragged higher on any US tariff announcement, while Chinese demand has been robust despite high prices. Supply is challenged, but 2027 may feel looser with less US buying. |
| Thermal Coal | | | | Thermal coal prices remain supported into 3Q26 by elevated Asian coal burn in an El Niño summer and lower Indonesian YoY exports. However, weak China/India imports on high inventories should cap price upside. |
| Silver | | | | Silver is likely to remain volatile in 2026, with industrial demand risks and ETF selling combined with tight inventories and resilient Chinese demand. |
| Manganese Ore | | | | Some supply curtailments are needed to balance the market – we think this comes from South African road-bound supply, but cost support is also falling with lower freight and diesel costs, suggesting modest further downside. |
| Zinc | | | | Smelter disruptions may bring some near term tightness to ex-China but fundamentals remain soft as Chinese output accelerates and construction demand faces headwinds, tipping the market into a small surplus this year and limiting upside. |
| Cobalt | | | | Cobalt remains supported by DRC export restrictions, but Indonesian supply may improve if sulphur availability recovers |
| Lead | | | | Continued growth in secondary output and soft demand maintain market surplus, limiting upside despite a tight concentrate market and risks to primary output. |
| Nickel | | | | Potential new mining quotas in Indonesia cap upside, but other supply challenges remain. |
| Alumina | | | | Alumina sees a tighter balance than before on stronger aluminium output, while potential Guinea bauxite restrictions bring cost pressures. However, surplus remains. |
| Lithium Carbonate | | | | Demand remains healthy but supply is responding to high prices with restarts in Australia and shipments resuming in Zimbabwe. The restart timing of CATL's lepidolite mine remains the key unknown. |
| Platinum | | | | With speculative activity at much lower levels, the risk reward has improved dramatically. We may still see OEM metal buying fall in 2H, but in the medium-term the metal remains in fundamental deficit. |
| Hard Coking Coal | | | | We see modest downside to Met coal with weaker Chinese seaborne demand and recovering supply. |
| Palladium | | | | High inventories levels have driven a price correction which now sees marginal cost production turning cashflow negative. We think prices need to remain depressed in 2H to trigger supply cuts. |
| Aluminium | | | | Middle East disruptions are reversing more quickly, while Chinese-led supply growth elsewhere is accelerating, pushing aluminium into surplus in 2027 and weighing on prices. |
| Iron ore | | | | Iron ore is shifting to oversupply on stronger seaborne supply and softer Chinese demand, while cost support should also be reversing. |

Source: Morgan Stanley Research. Note: Order of preference based on 4Q26 forecasts vs last two weeks' average prices ending 3rd July 2026.

# Recent Reports

| | |
|---|---|
| Commodity Matters: Copper: All About the Arbs | 21-Aug-26 |
| Commodity Matters: Could Canada Fully Supply the US With Aluminium? | 20-Aug-26 |
| Commodity Matters: Gold's Rapid Rebound | 20-Aug-26 |
| metal&ROCK: Met Coal > Iron Ore | 18-Aug-26 |
| Commodity Matters: Thermal Coal: Not Time to Turn Bearish Yet | 18-Aug-26 |
| Commodity Matters: Macro vs Micro: Metals Outlook | 31-Jul-26 |
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| metal&ROCK: Gold and Silver: When Will ETF Buying Resume? | 20-Jul-26 |
| metal&ROCK: Aluminium: Surplus Coming Faster | 13-Jul-26 |
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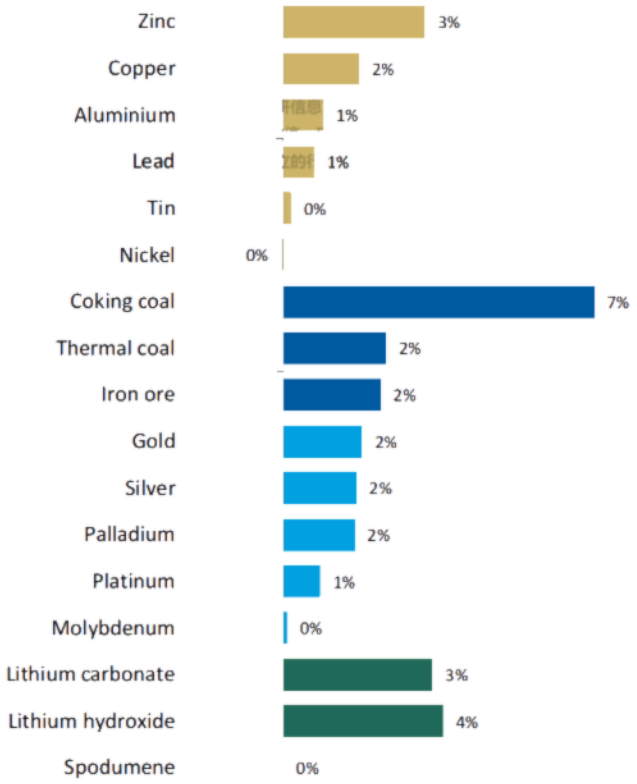
**Exhibit 16:** Spot commodity prices vs. the marginal cost of production




Source: Wood Mackenzie, Bloomberg, Morgan Stanley Research. Note: Marginal cost (year 2026) dataset is 2Q'26's C1 cash costs

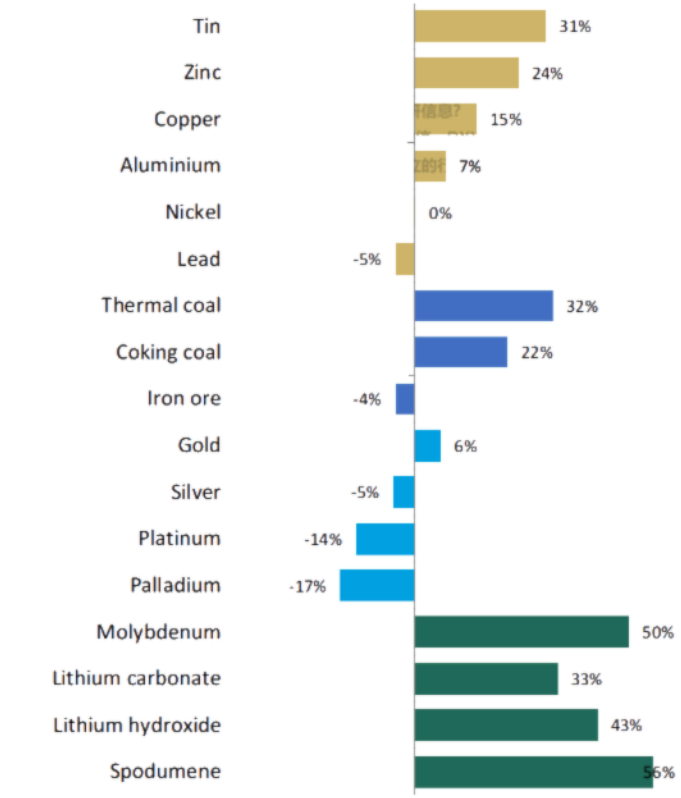
# Commodity Price Snapshot

**Exhibit 17:** Key metals: one-week absolute performance




Source: Bloomberg, Morgan Stanley Research

**Exhibit 18:** Key metals: YTD absolute performance




Source: Bloomberg, Morgan Stanley Research

**Exhibit 19:** Precious Metals: Price Snapshot

| Precious | 27-Aug-26 | 20-Aug-26 | WoW Change (%) | 02-Jan-26 | YtD (%) |
|---|---|---|---|---|---|
| Gold | 4,599 | 4,517 | 1.8% | 4332.29 | 6.2% |
| Silver | 69 | 68 | 1.7% | 72.8181 | -4.9% |
| Platinum | 1,850 | 1,835 | 0.9% | 2142.88 | -13.6% |
| Palladium | 1,354 | 1,332 | 1.7% | 1636.36 | -17.2% |

Source Bloomberg Morgan Stanley Research, WoW = Week on week

**Exhibit 20:** Bulks: price snapshot

| Bulks | 27-Aug-26 | 20-Aug-26 | WoW Change (%) |
|---|---|---|---|
| Iron ore | 98 | 96 | 2.3% |
| Thermal coal | 140 | 136 | 2.4% |
| Coking coal | 267 | 249 | 7.2% |

Source Bloomberg Morgan Stanley Research, WoW = Week on week

**Exhibit 21:** Other Metals: price snapshot

| Other metals | 27-Aug-26 | 20-Aug-26 | WoW Change (%) |
|---|---|---|---|
| Molybdenum | 33 | 33 | 0.1% |
| Lithium carbonate | 19,564 | 18,908 | 0 |
| Lithium hydroxide | 18,281 | 17,626 | 0 |
| China Spodumene 6% min CIF | 2,260 | 2,260 | 0% |

Source Bloomberg Morgan Stanley Research, WoW = Week on week

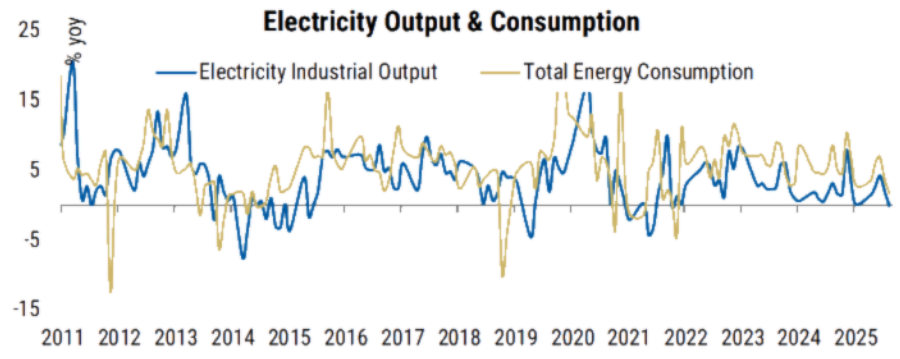
**Exhibit 22:** Exchange rate snapshot of major metal producing countries

| Currency | 27-Aug-26 | 20-Aug-26 | WoW Change (%) |
|---|---|---|---|
| 1 AUD = USD (Australian $) | 0.7 | 0.7 | 1% |
| 1 EUR = USD (Euro) | 1.2 | 1.2 | 0% |
| 1 USD = BRL (Brazilian Real) | 5.2 | 5.2 | -1% |
| 1 USD = CAD (Canadian $) | 1.4 | 1.4 | 0% |
| 1 USD = CLP (Chilean Peso) | 926.2 | 921.8 | 0% |
| 1 USD = CNY (Chinese Renmimbi) | 6.7 | 6.7 | 0.0 |
| 1 USD = KZT (Kazakh Tenge) | 463.6 | 457.1 | 1% |
| 1 USD = MXN (Mexican Peso) | 17.0 | 17.0 | 0% |
| 1 USD = NOK (Norwegian Krone) | 9.3 | 9.4 | 0% |
| 1 USD = PEN (Peruvian New Sol) | 3.3 | 3.4 | 0% |
| 1 USD = SEK (Swedish Krona) | 9.5 | 9.5 | 0% |
| 1 USD = ZAR (S. African Rand) | 16.0 | 16.1 | -1% |
| 1 USD = ZMW (Zambian Kwacha) | 19.1 | 18.9 | 1% |

Source Bloomberg Morgan Stanley Research, WoW = Week on week

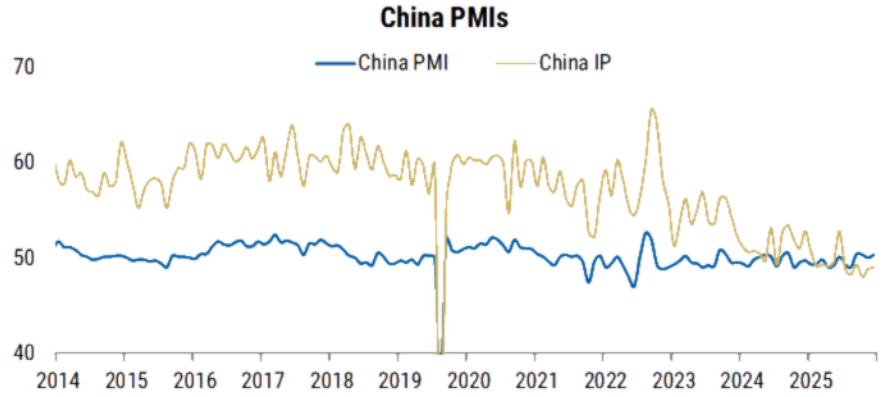
# China's Macro Indicators

**Exhibit 23:** China's Electricity Output & Consumption



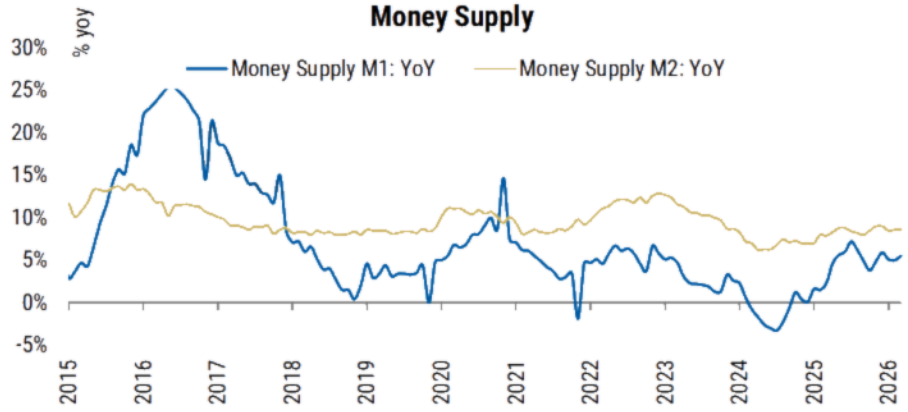

Source: CEIC, Morgan Stanley Research

**Exhibit 24:** China's Purchasing Managers Index and Industrial Production (IP)



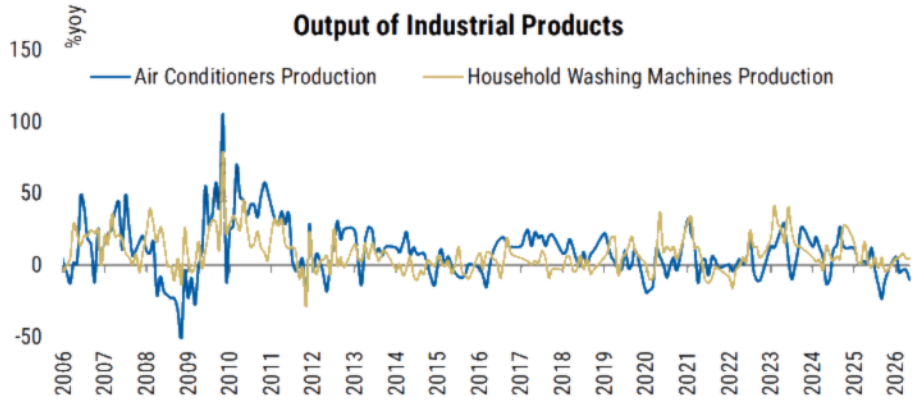

Source: CEIC, Morgan Stanley Research

**Exhibit 25:** China's Money Supply




Source: CEIC, Morgan Stanley Research

**Exhibit 26:** China's Output of Industrial Products




Source: CEIC, Morgan Stanley Research

**Exhibit 27:** China's Infrastructure Fixed Asset Investments (FAI)



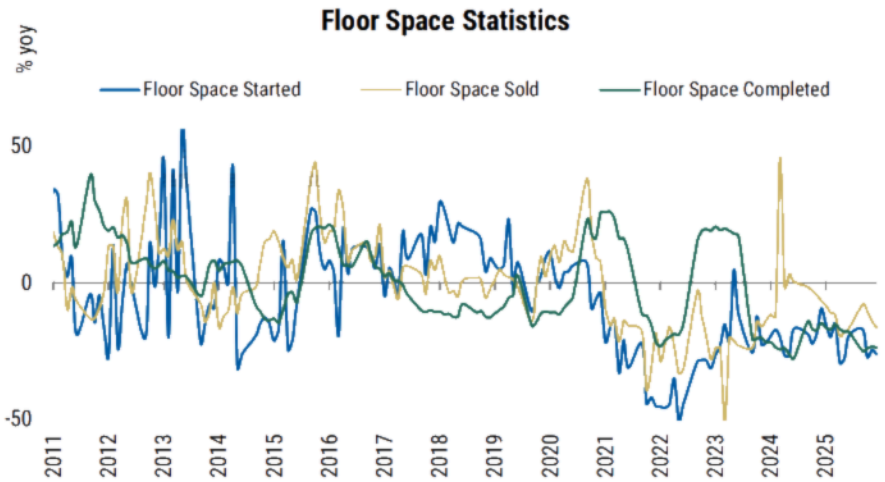

Source: CEIC, Morgan Stanley Research

**Exhibit 28:** China's Fixed Asset Investments



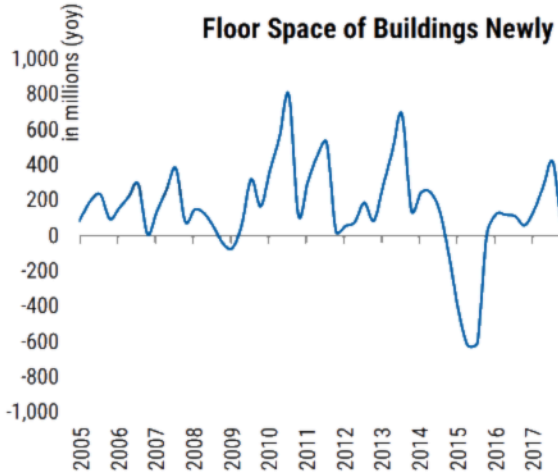

Source: CEIC, Morgan Stanley Research

**Exhibit 29:** China's Floor Space Started, Sold and Completed




Source: CEIC, Morgan Stanley Research

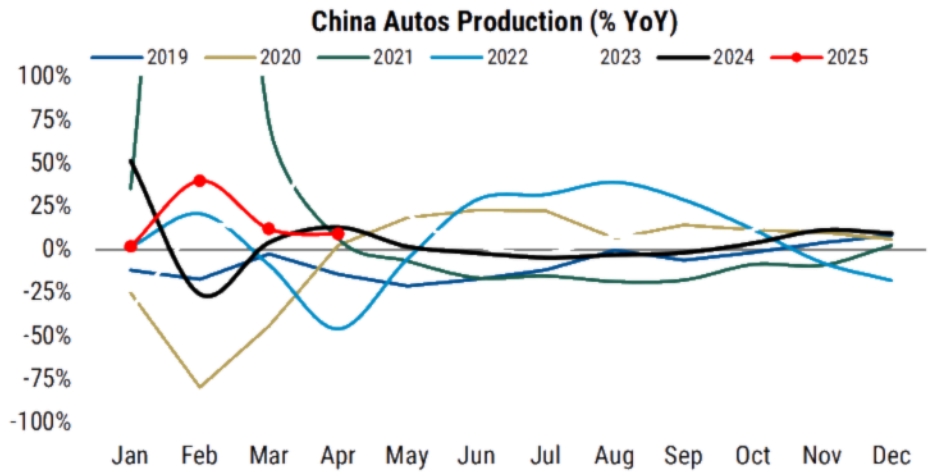
**Exhibit 30:** Floor Space of Buildings Newly Started




Source: CEIC, Morgan Stanley Research

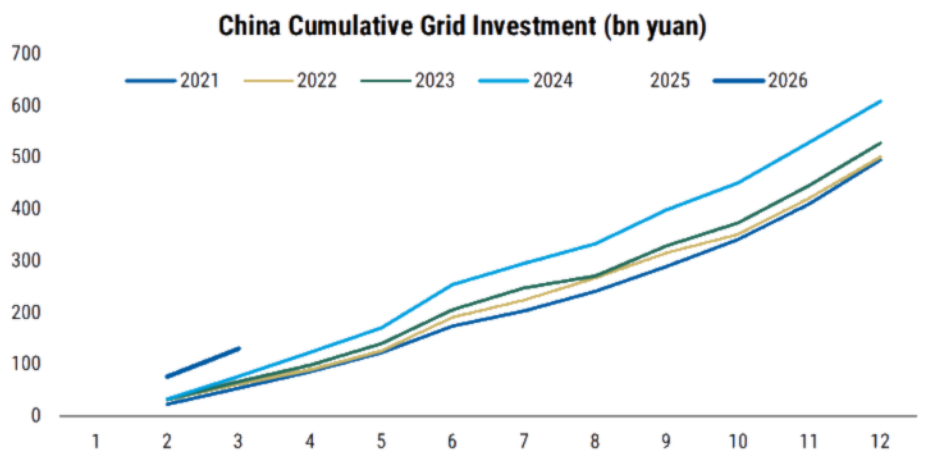
人在草木间
更多资料请加V

**Exhibit 31:** China Autos Production



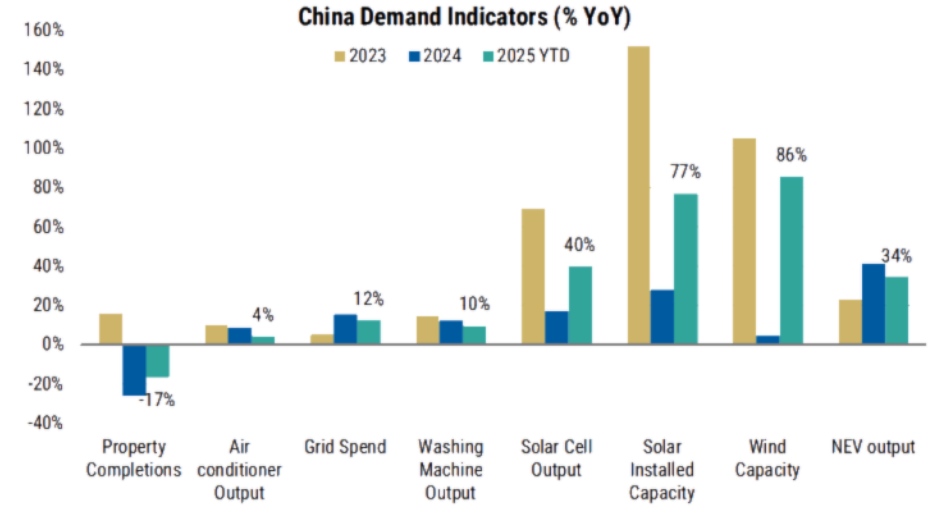

Source: CEIC, CAAM

**Exhibit 32:** China Cumulative Grid Investment




Source: Bloomberg

**Exhibit 33:** China Demand Indicators



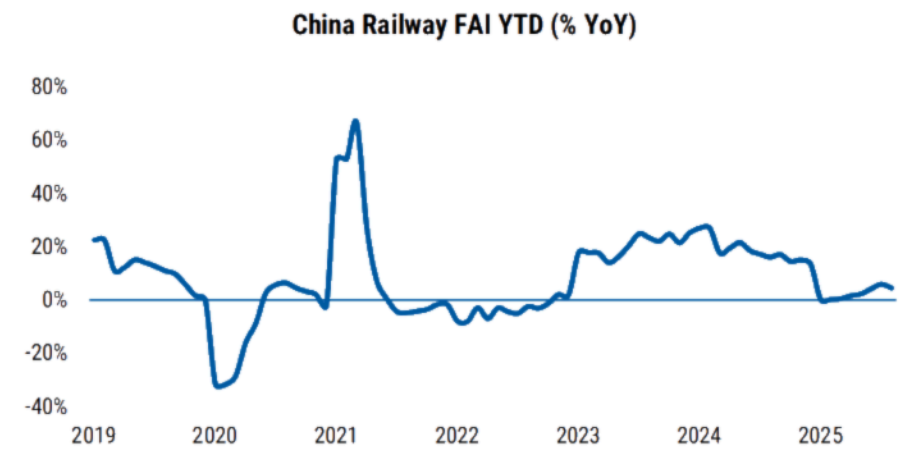

Source: Bloomberg, CEIC

**Exhibit 34:** China Excavator Sales



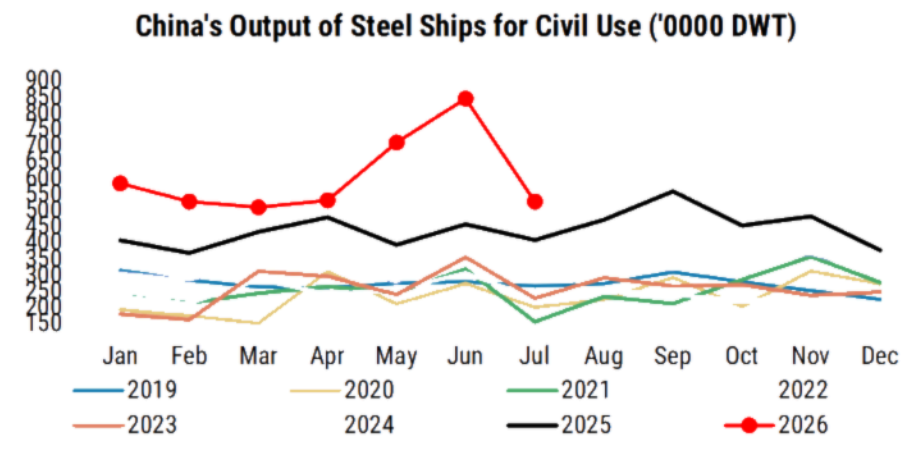

Source: CEIC

**Exhibit 35:** China Railway FAI YTD




Source CEIC

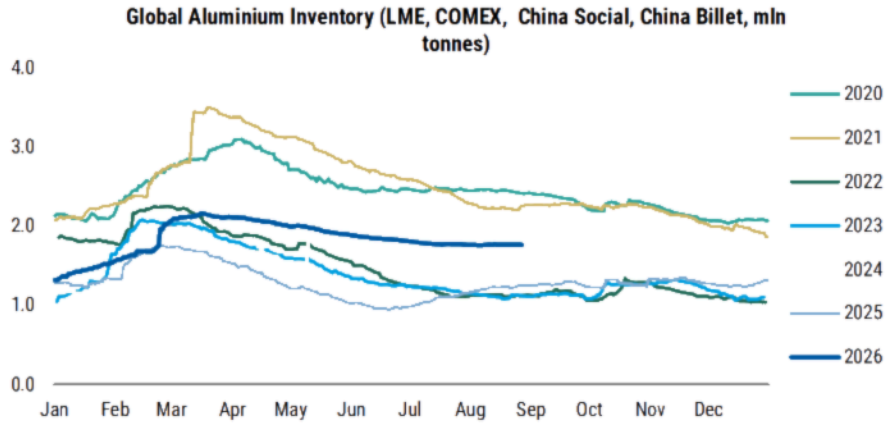
**Exhibit 36:** China Shipbuilding Output




Source NBS

# Aluminium

**Exhibit 37:** Global Aluminium Inventories



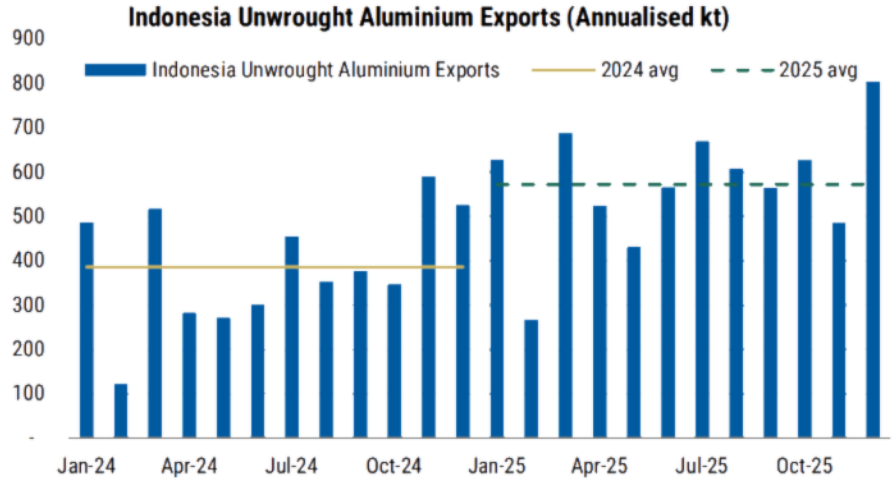

Source Bloomberg

**Exhibit 38:** China Aluminium Inventories



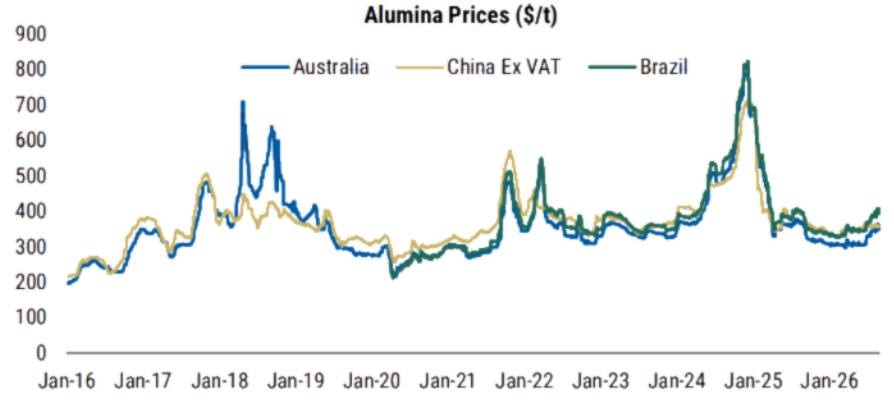

Source Bloomberg

**Exhibit 39:** Indonesia Aluminium Exports



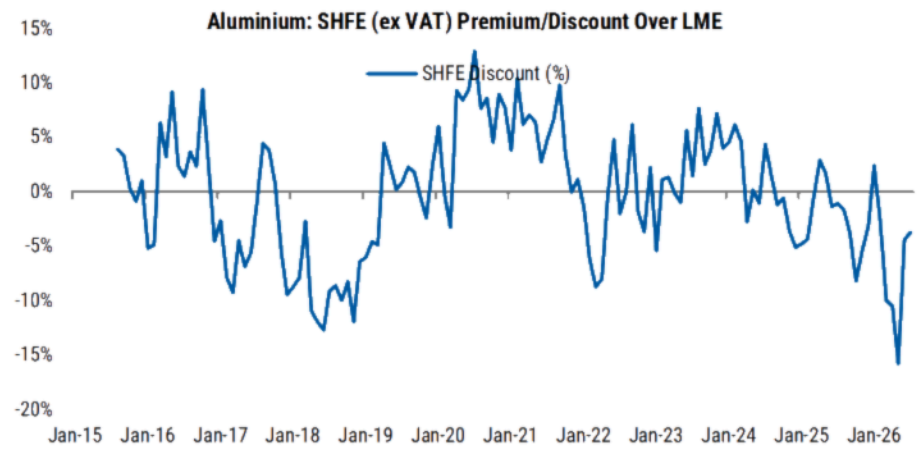

Source Trademap

**Exhibit 40:** Raw Materials: Spot Alumina vs China Domestic Price



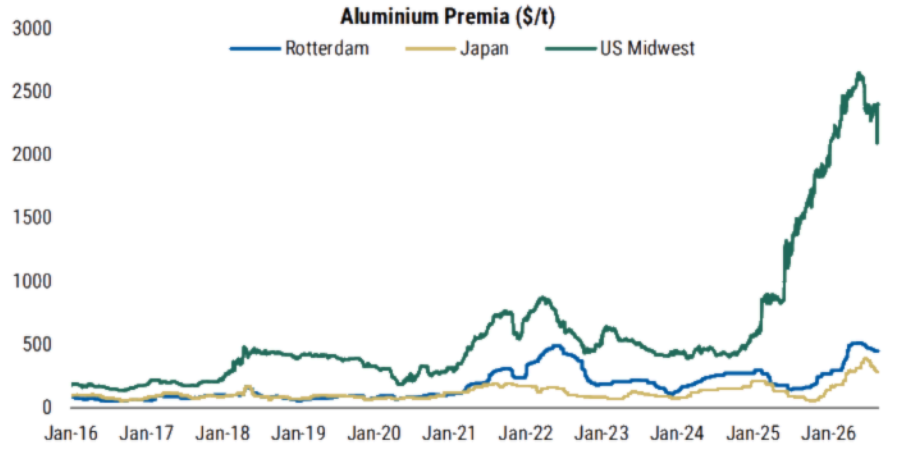

Source Platts Bloomberg

**Exhibit 41:** Price Differentials: SHFE vs LME



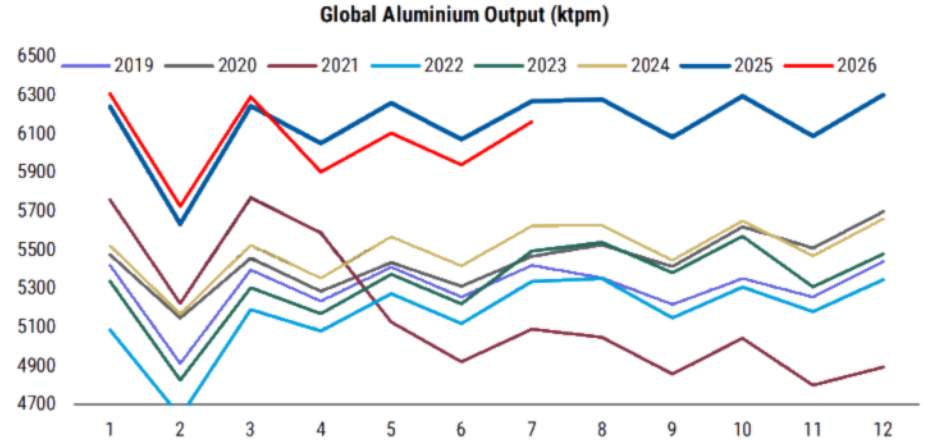

Source: Bloomberg

**Exhibit 42:** Physical demand: aluminium premia, by region



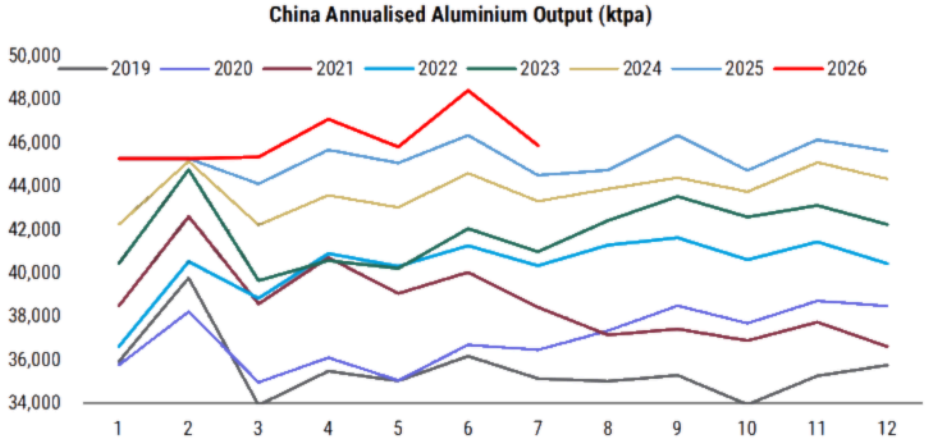

Source: Platts Bloomberg

**Exhibit 43:** IAI Global Aluminium Production



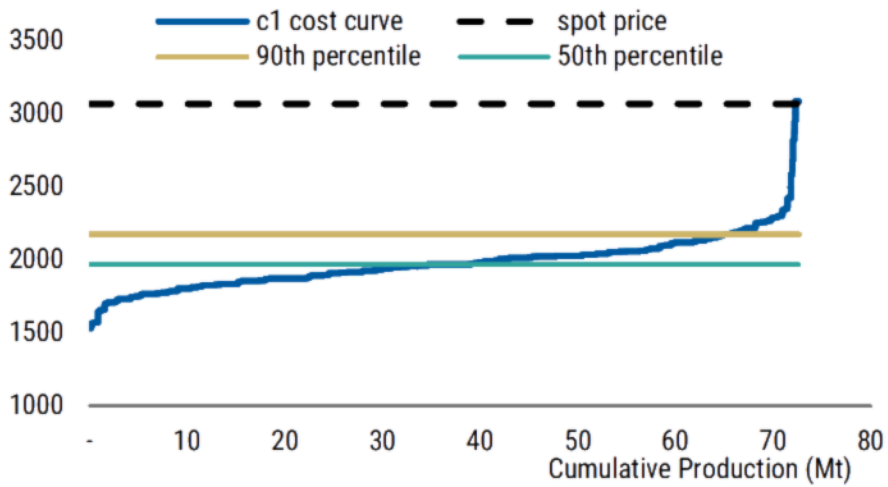

Source: IAI

**Exhibit 44:** China Aluminium Production



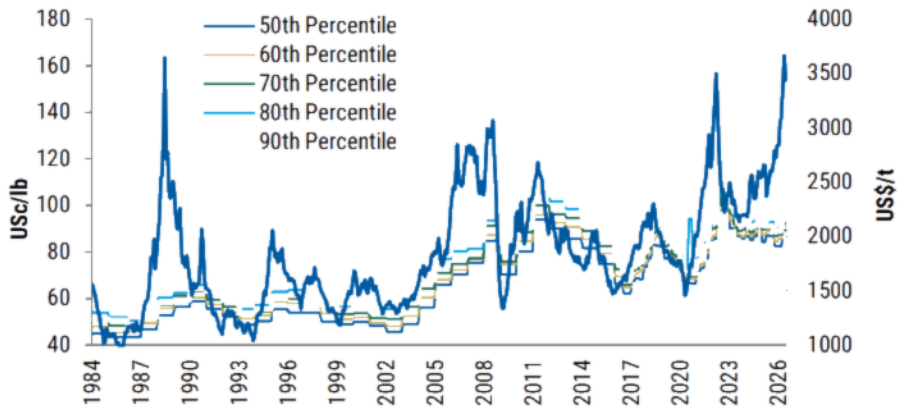

Source: Bloomberg

**Exhibit 45:** Aluminium C1 Cost Curve vs Spot ($/t)



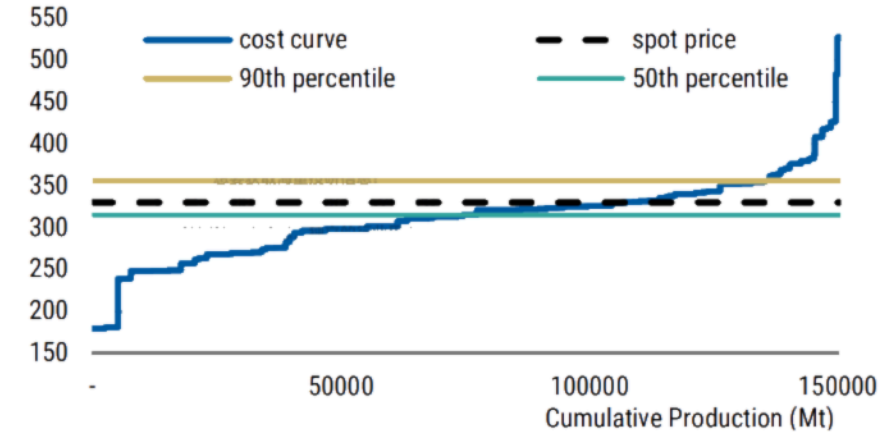

Source: Wood Mackenzie

**Exhibit 46:** Aluminium Cost Curve Evolution



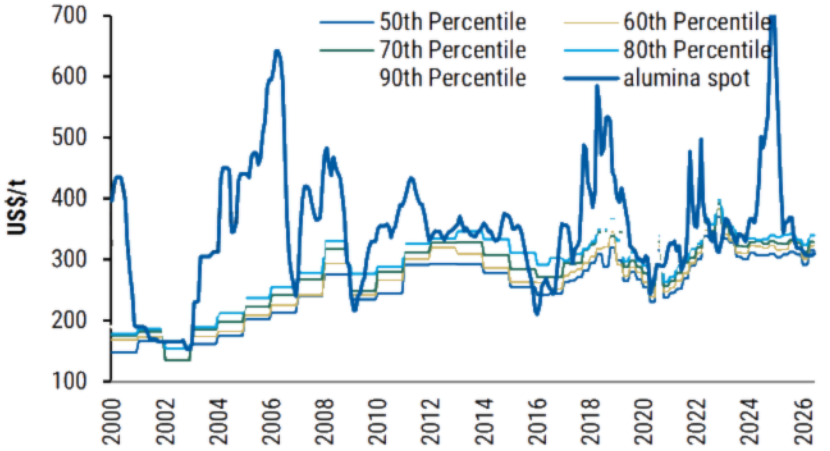

Source: Wood Mackenzie

**Exhibit 47:** Alumina Total Cost Curve vs Spot ($/t)




Source: Wood Mackenzie

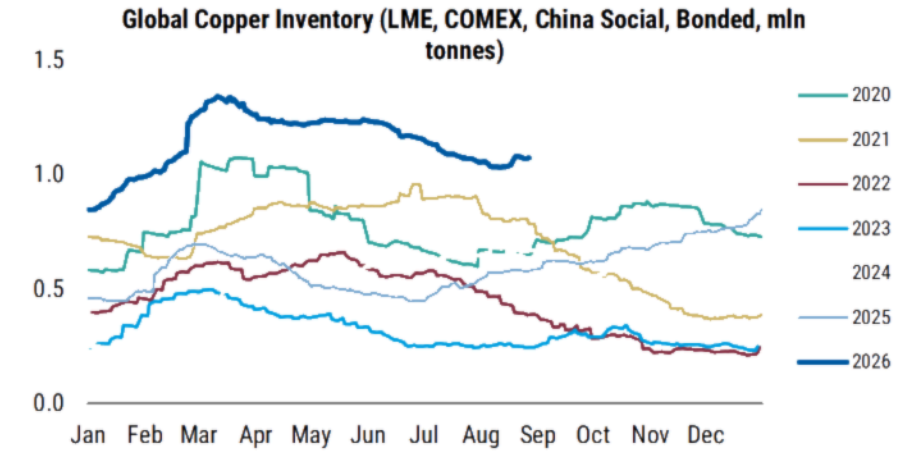
**Exhibit 48:** Alumina Cost Curve Evolution




Source: Wood Mackenzie

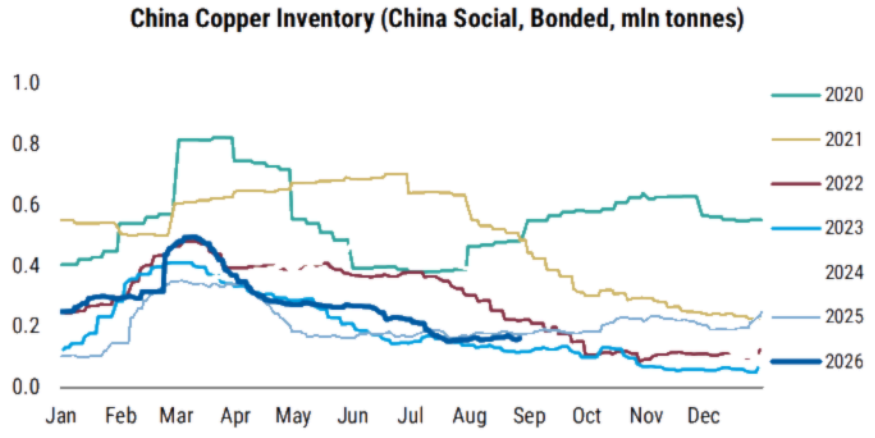
# Copper

**Exhibit 49:** Global Copper Inventories



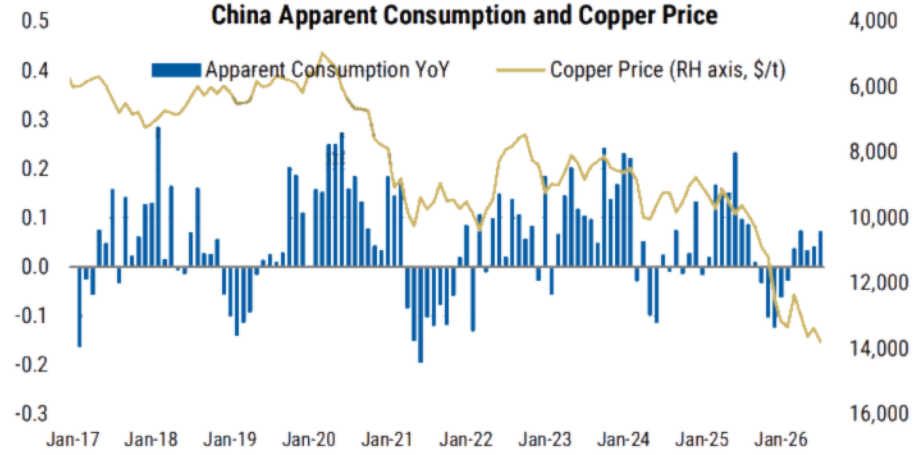

Source: Bloomberg

**Exhibit 50:** China Copper Inventories



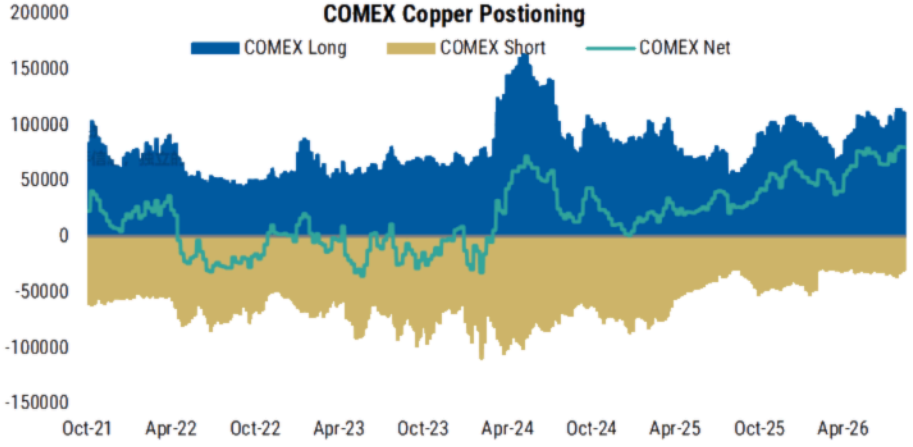

Source: Bloomberg

**Exhibit 51:** Copper Price versus China Apparent Consumption



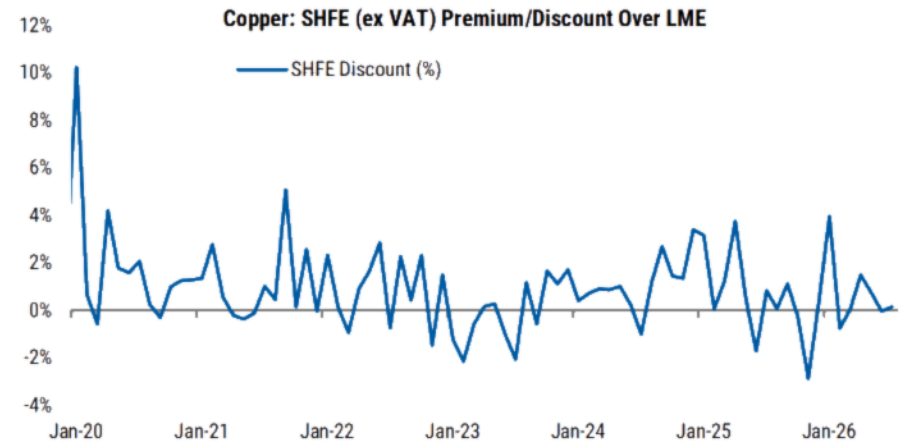

Source: Bloomberg, Morgan Stanley Research

**Exhibit 52:** Copper CFTC Positioning



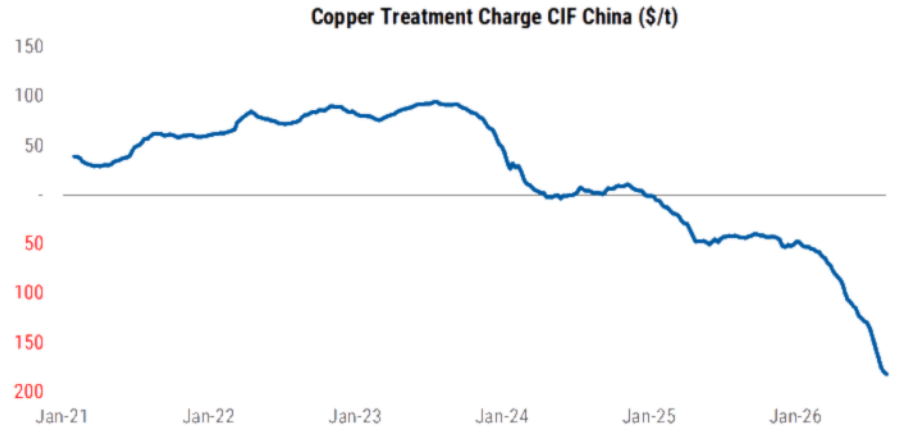

Source: CFTC

**Exhibit 53:** Price Differentials: SHFE vs LME



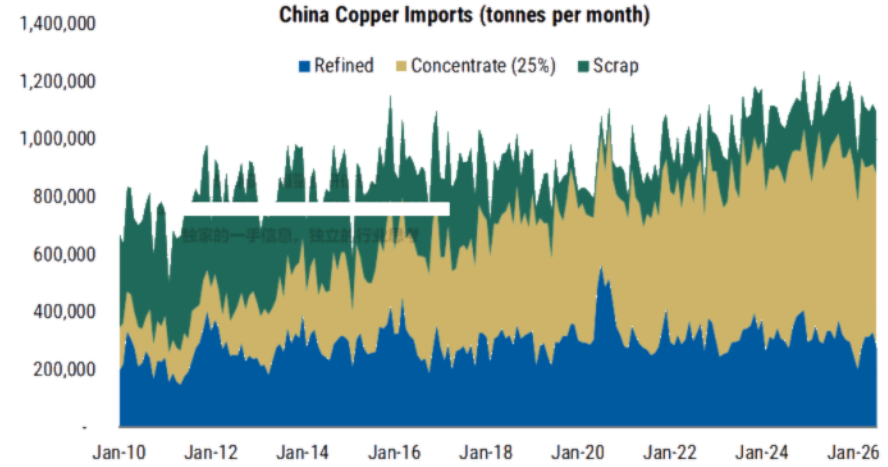

Source: Bloomberg

**Exhibit 54:** Copper treatment charges (TCs)



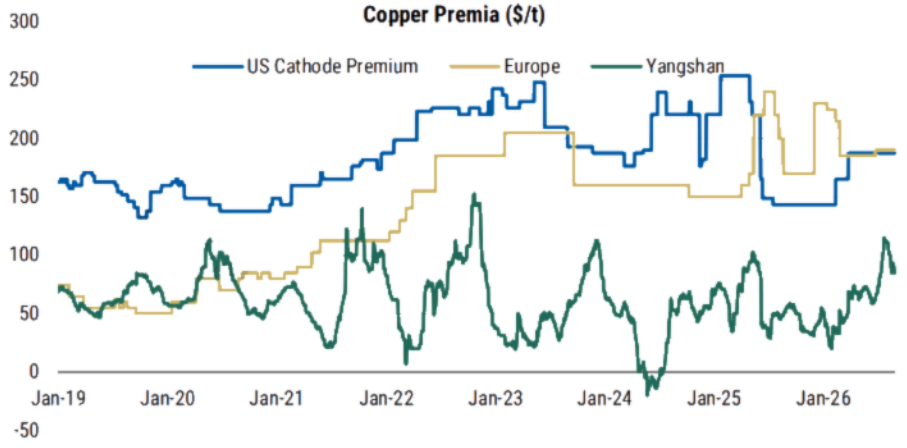

Source: Platts Bloomberg

**Exhibit 55:** Raw materials: China's copper concentrate, refined and scrap monthly import



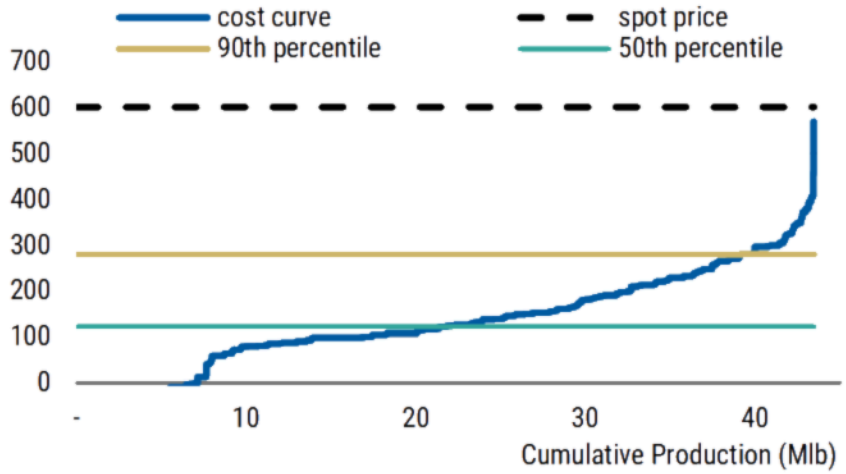

Source: China Customs, Morgan Stanley Research

**Exhibit 56:** Physical Demand: Copper Premia By Region



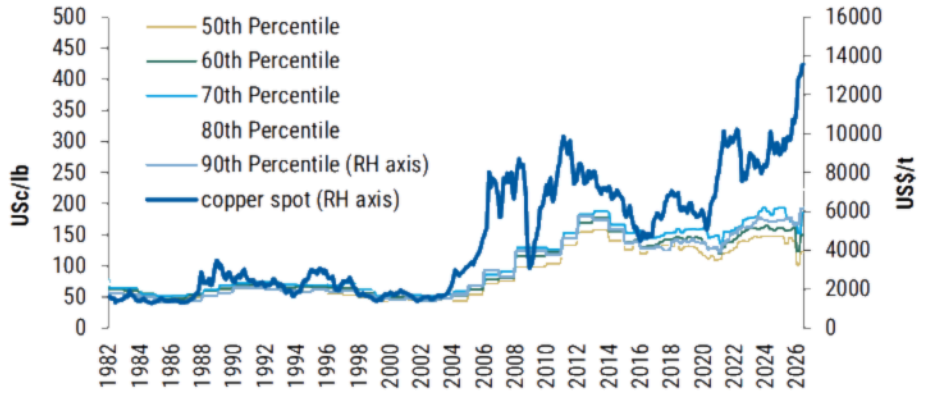

Source: Argus, Bloomberg

**Exhibit 57:** Copper C1 Cost Curve vs Spot (USc/lb)



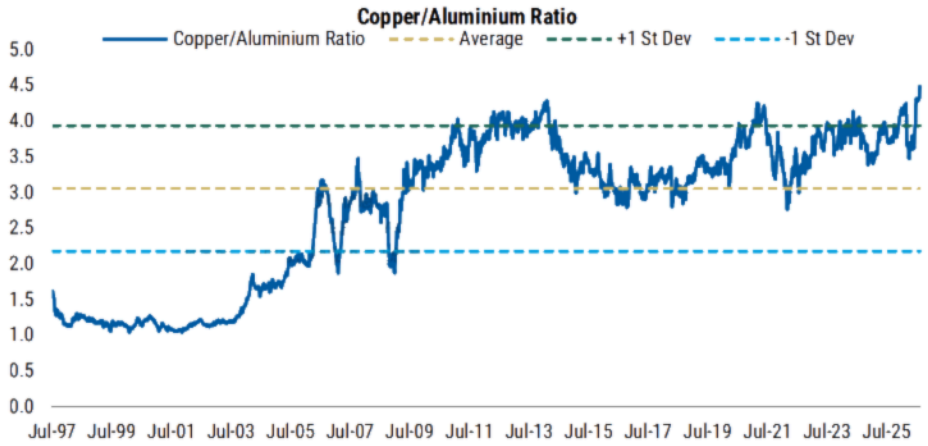

Source: WoodMackenzie

**Exhibit 58:** Copper Cost Curve Evolution



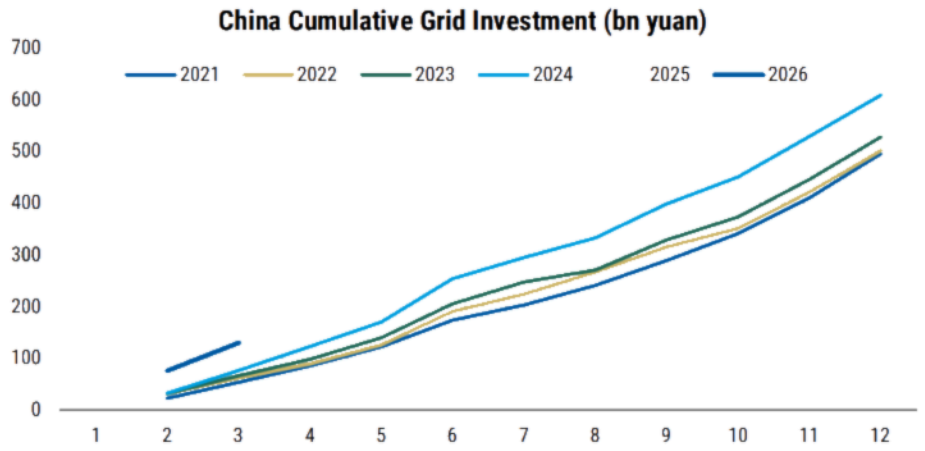

Source: Wood Mackenzie

**Exhibit 59:** Copper: Aluminium Ratio




Source: Bloomberg, Morgan Stanley Research

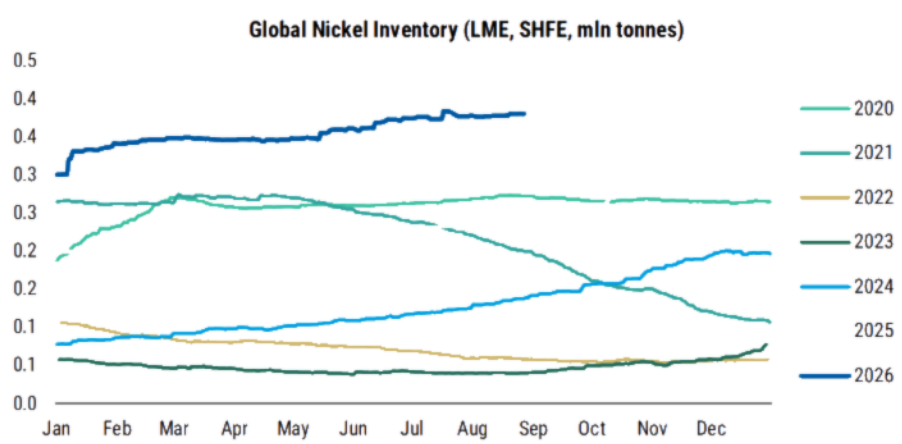
**Exhibit 60:** China Grid Investment




Source: Bloomberg, Morgan Stanley Research

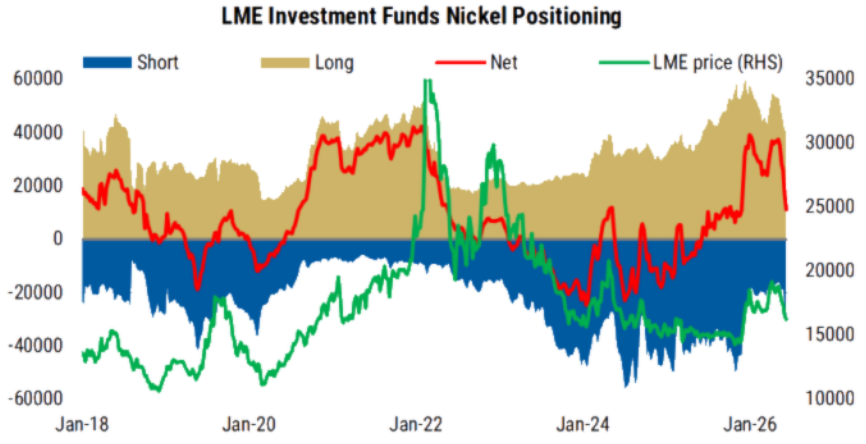
# Nickel

**Exhibit 61:** Global Nickel Inventories



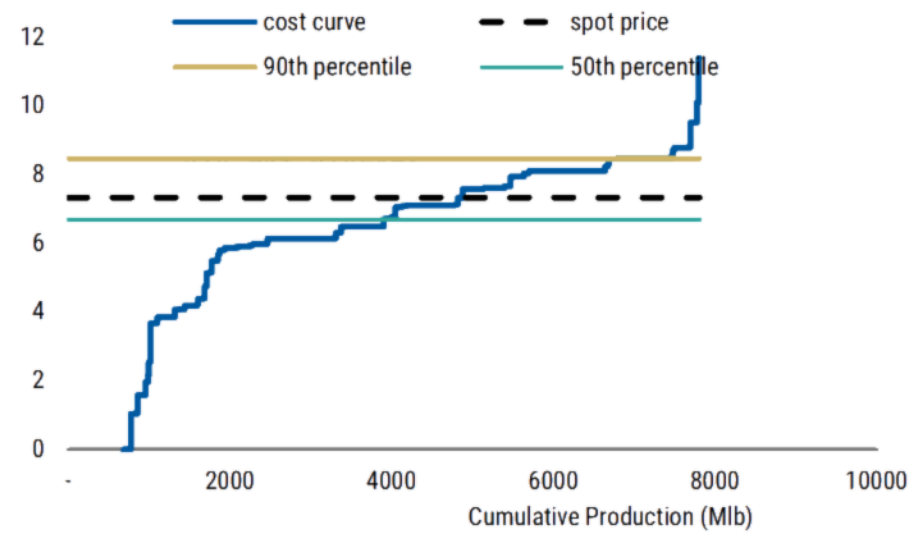

Source: Bloomberg

**Exhibit 62:** LME Nickel Positioning



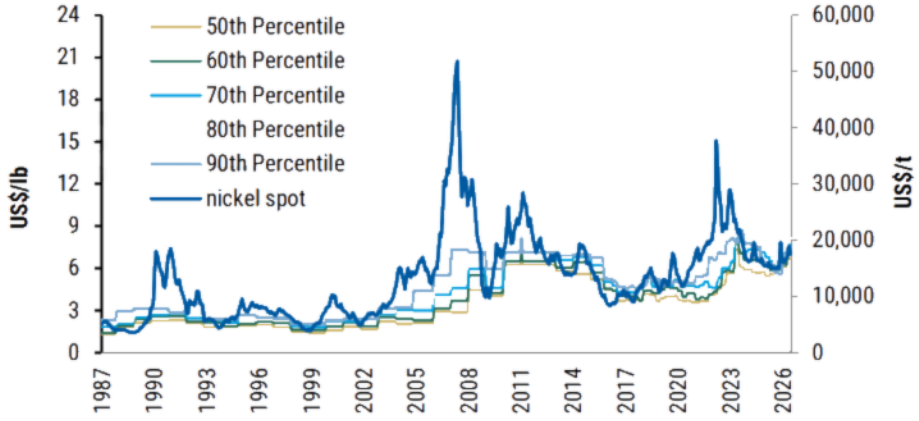

Source: Bloomberg

**Exhibit 63:** Nickel C1 Cost Curve vs Spot (USc/lb)



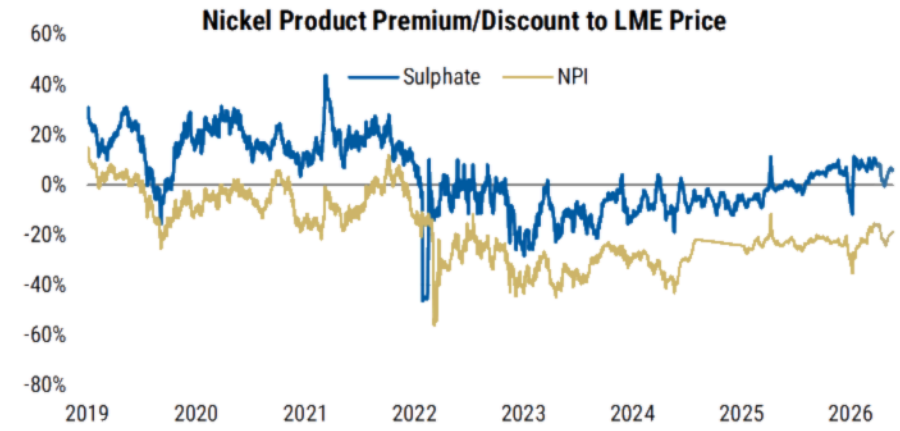

Source: Wood Mackenzie

**Exhibit 64:** Nickel Cost Curve Evolution



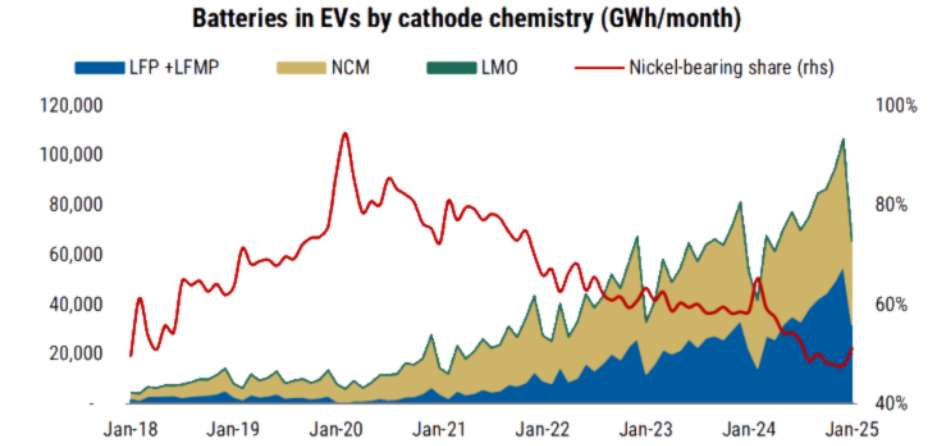

Source: Wood Mackenzie

**Exhibit 65:** Nickel Product Spreads vs LME Price



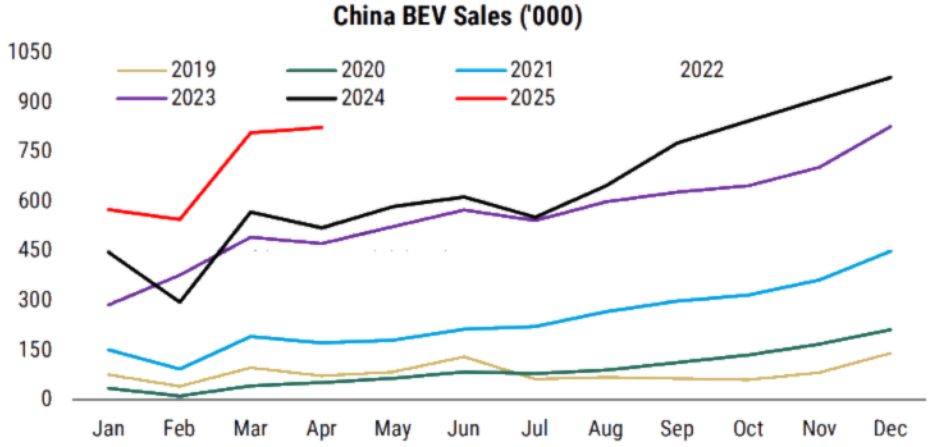

Source: Argus Metals

**Exhibit 66:** Global Battery Deployment by Chemistry



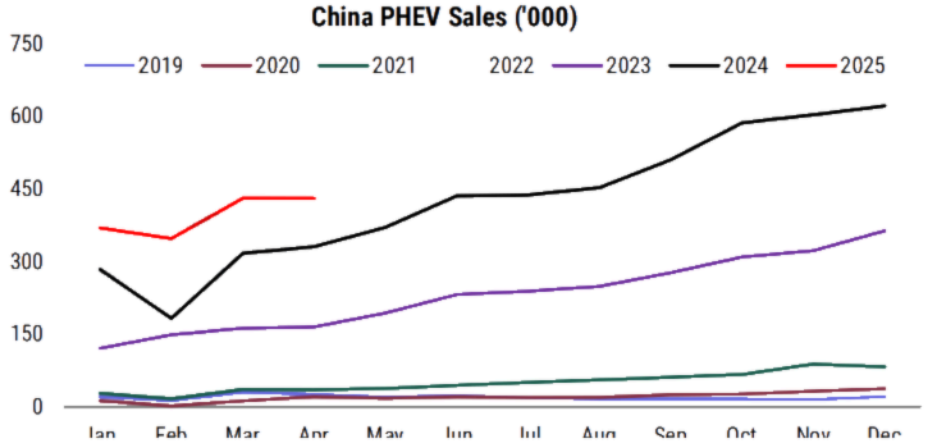

Source: Rho Motion

**Exhibit 67:** China NEV Sales




Source: CEIC, CAAM

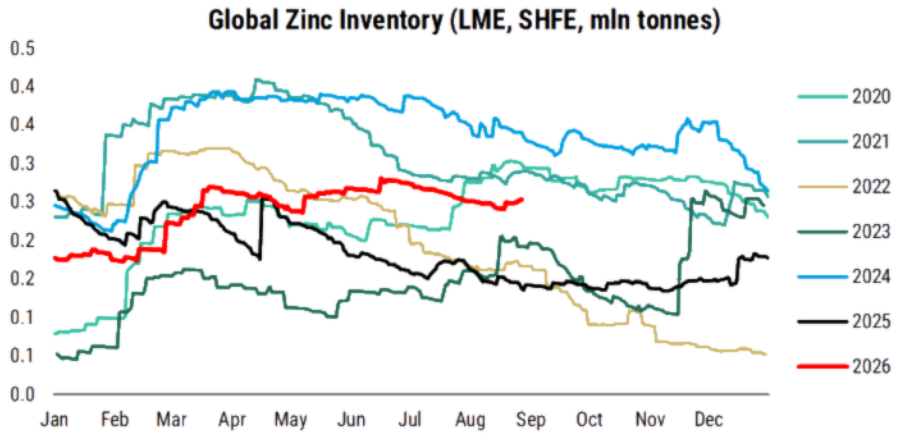
**Exhibit 68:** China PHEV Sales




Source: CEIC, CAAM

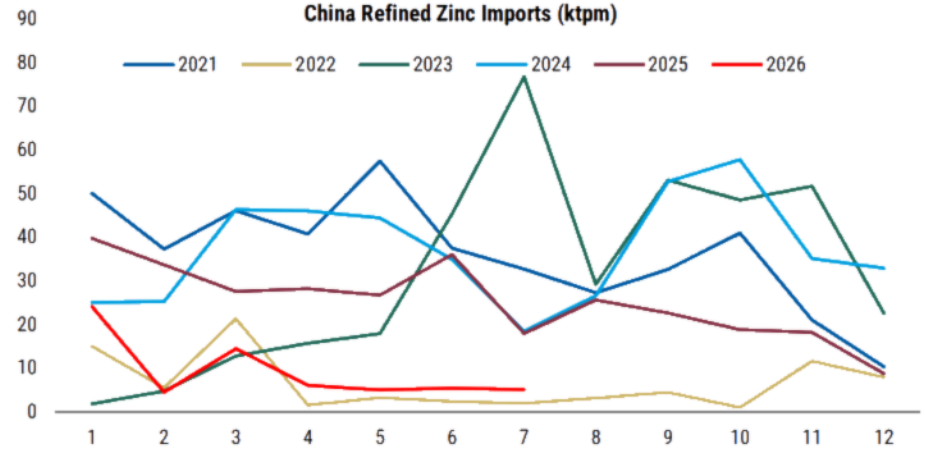
# Zinc

**Exhibit 69:** Global Zinc Inventories



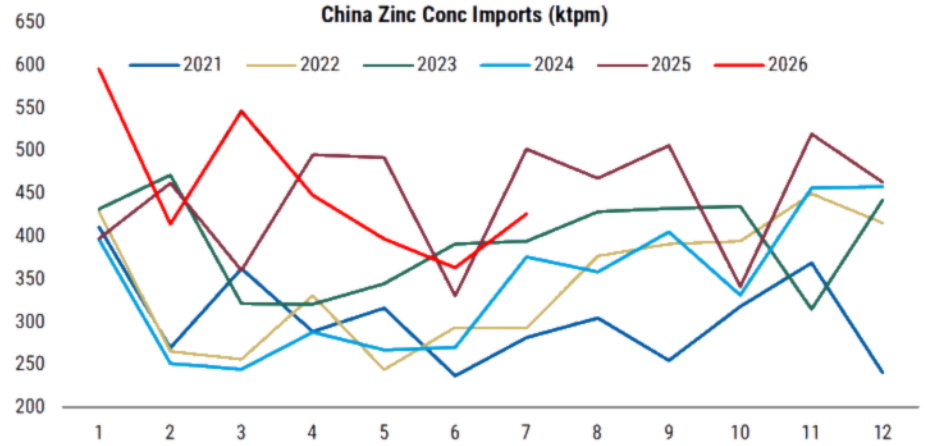

Source: Bloomberg

**Exhibit 70:** China Refined Zinc Imports



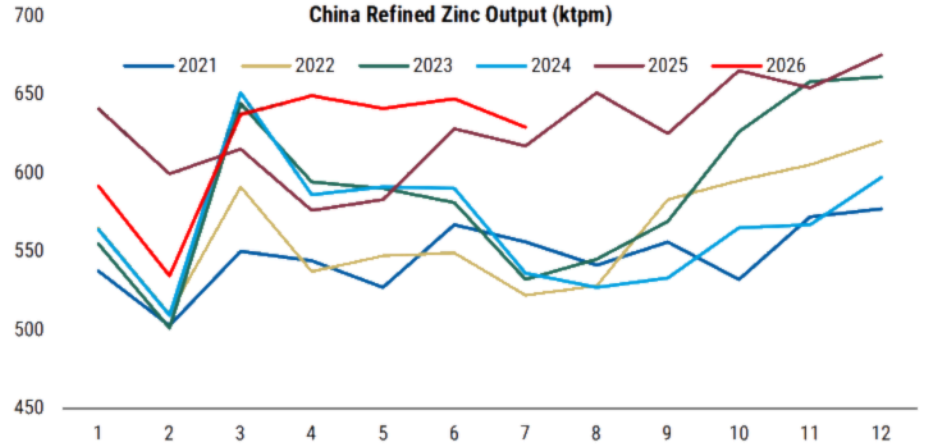

Source: Bloomberg

**Exhibit 71:** China Zinc Concentrate Imports



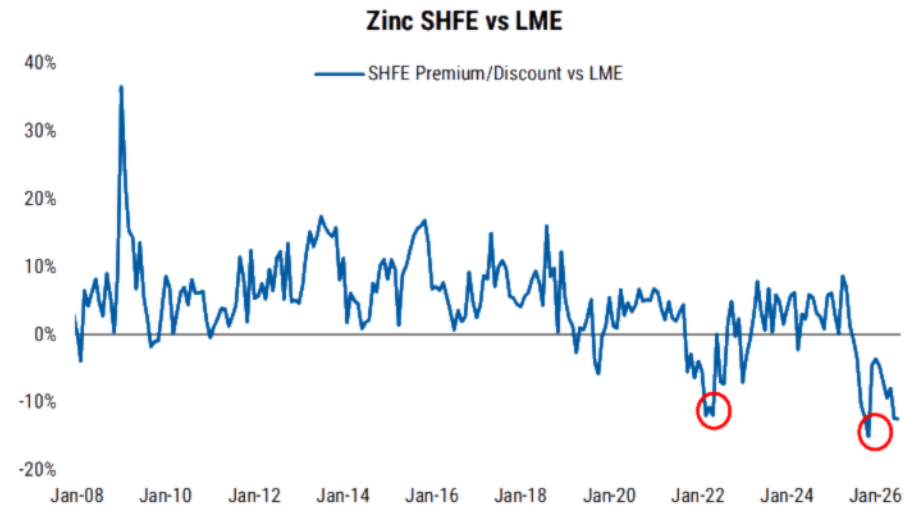

Source: Bloomberg

**Exhibit 72:** China Refined Zinc Output




Source: Bloomberg

**Exhibit 73:** Price Differentials: SHFE vs LME



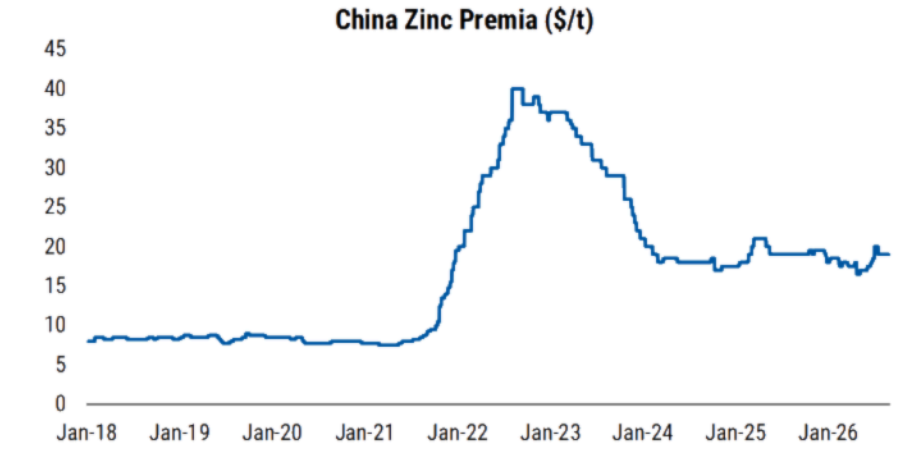

Source Bloomberg

**Exhibit 74:** Zinc Treatment Charges




Source Bloomberg

**Exhibit 75:** Zinc Premia



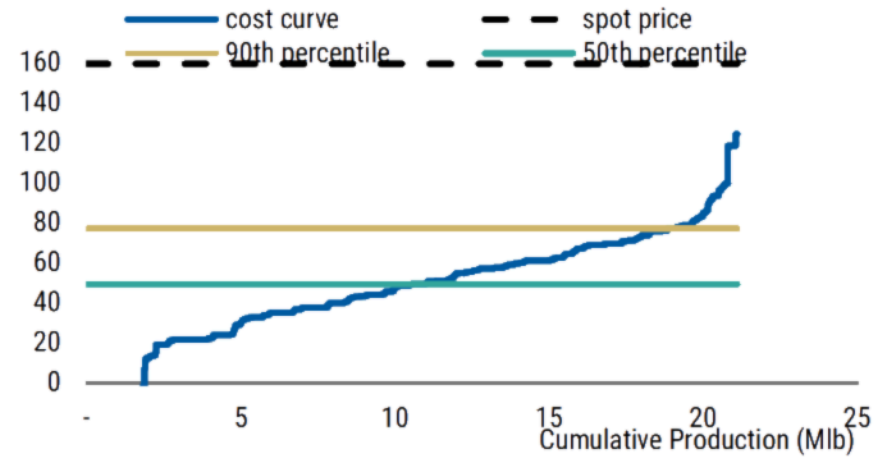

Source Bloomberg

**Exhibit 76:** Zinc/Lead Ratio



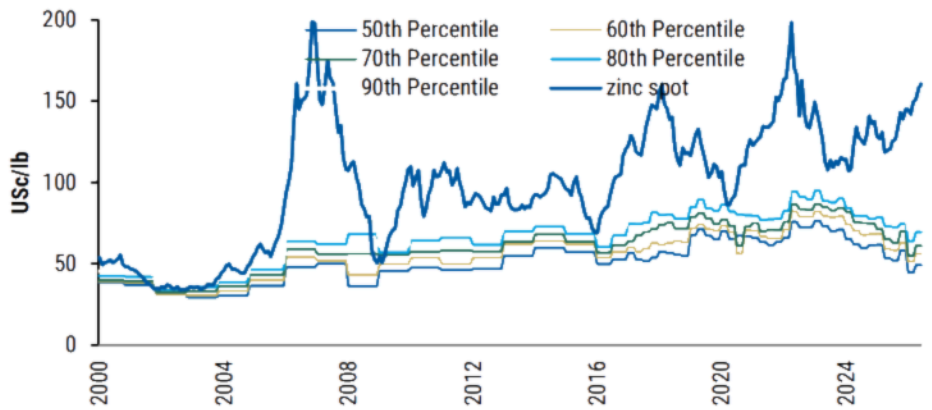

Source Bloomberg

**Exhibit 77:** Zinc C1 Cost Curve vs Spot ($/t)



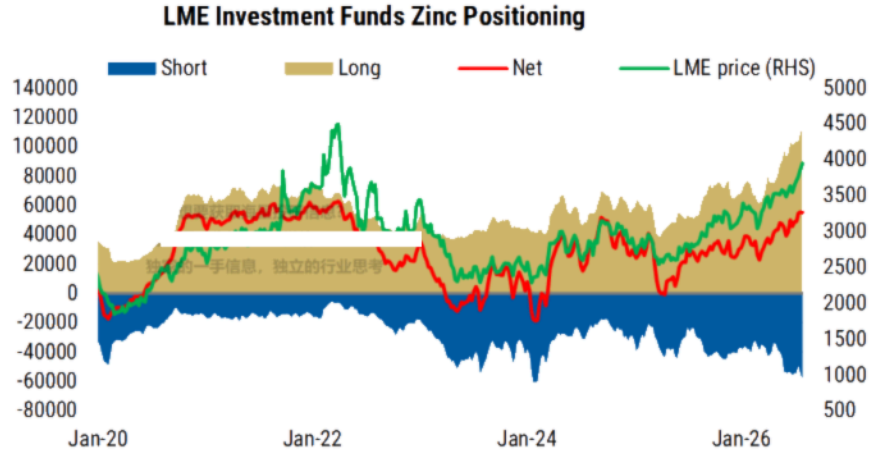

Source: Wood Mac

**Exhibit 78:** Zinc Cost Curve Evolution



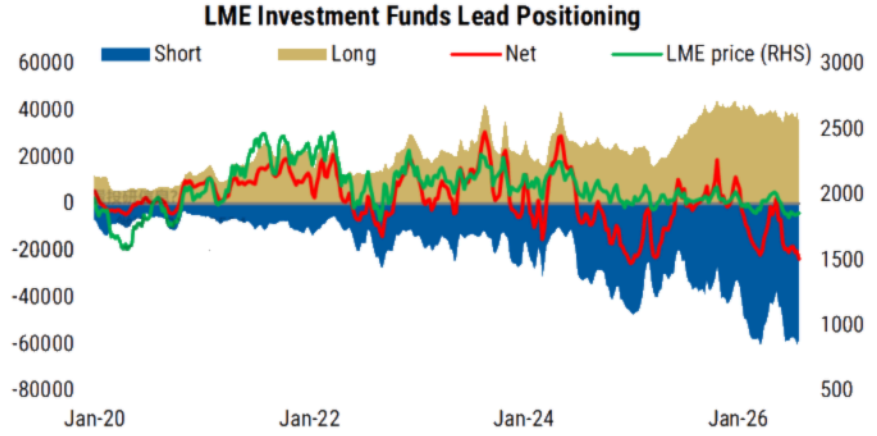

Source: Wood Mac

**Exhibit 79:** Zinc Positioning




Source: Bloomberg

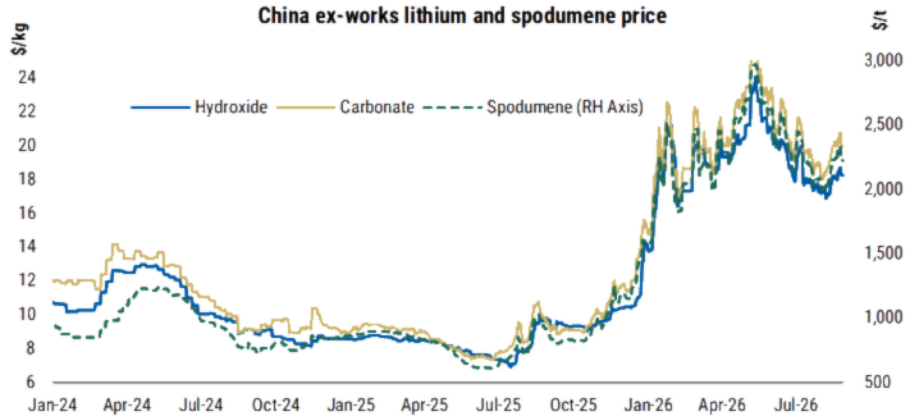
**Exhibit 80:** Lead Positioning




Source: Bloomberg

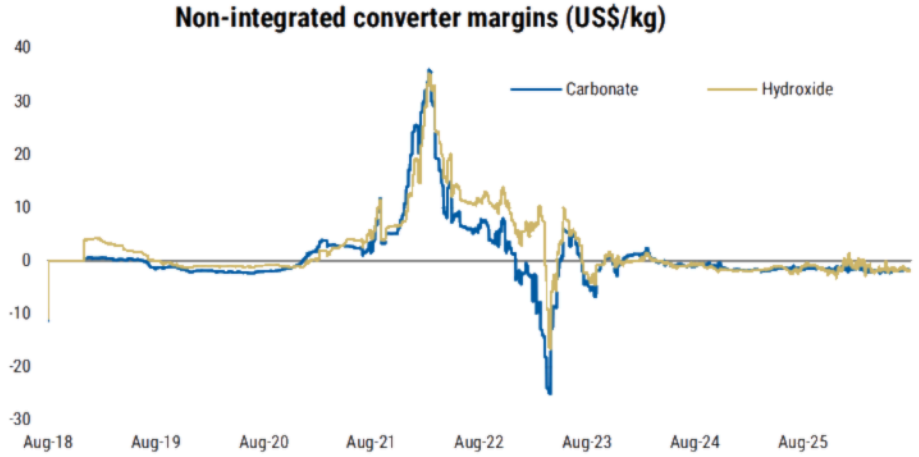
# Lithium

**Exhibit 81:** Lithium Chemical Prices



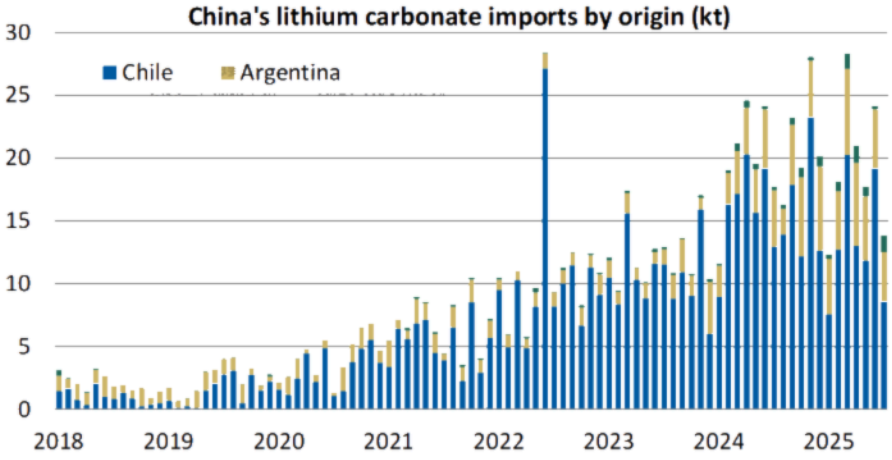

Source: Fastmarkets, Morgan Stanley Research

**Exhibit 82:** Non-integrated Convertor Margins



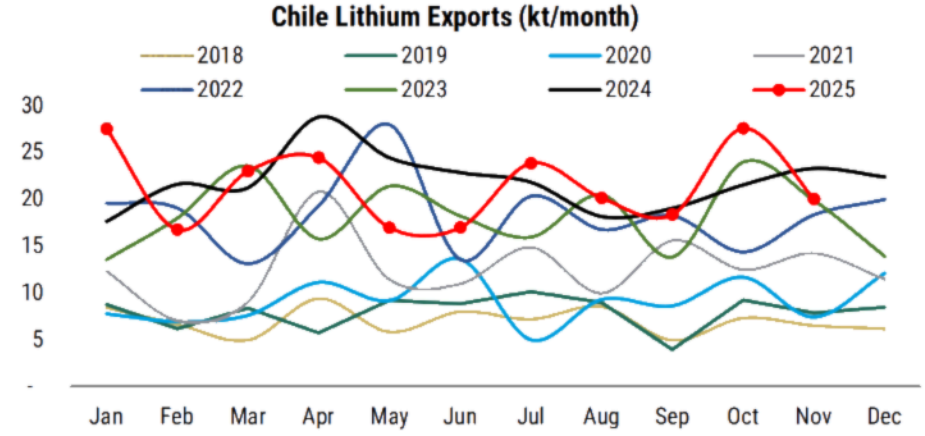

Source: Fastmarkets, Morgan Stanley Research

**Exhibit 83:** China Lithium Carbonate Imports




Source: Rystad, Morgan Stanley Research

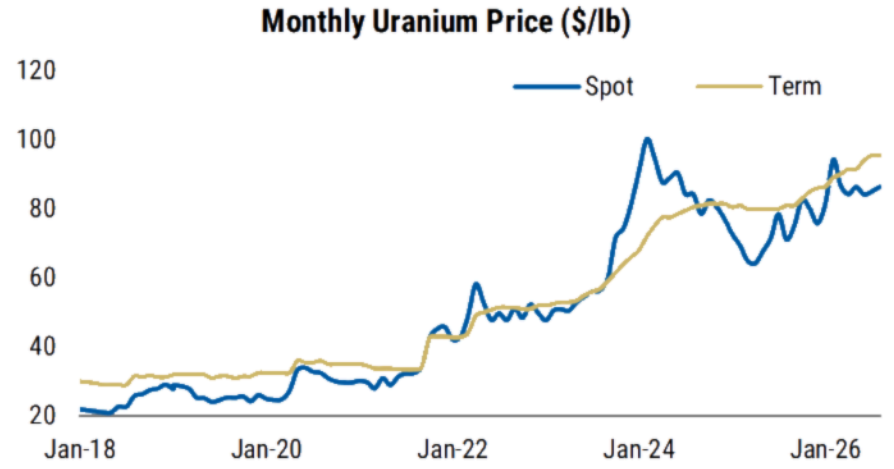
**Exhibit 84:** Chile Lithium Exports




Source: Chile Customs, Morgan Stanley Research

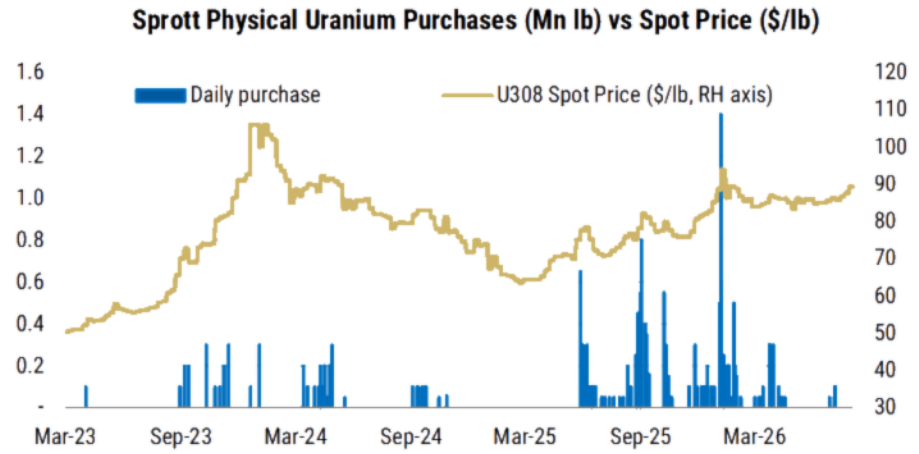
# Uranium

**Exhibit 85:** Uranium Price (Spot and Term)



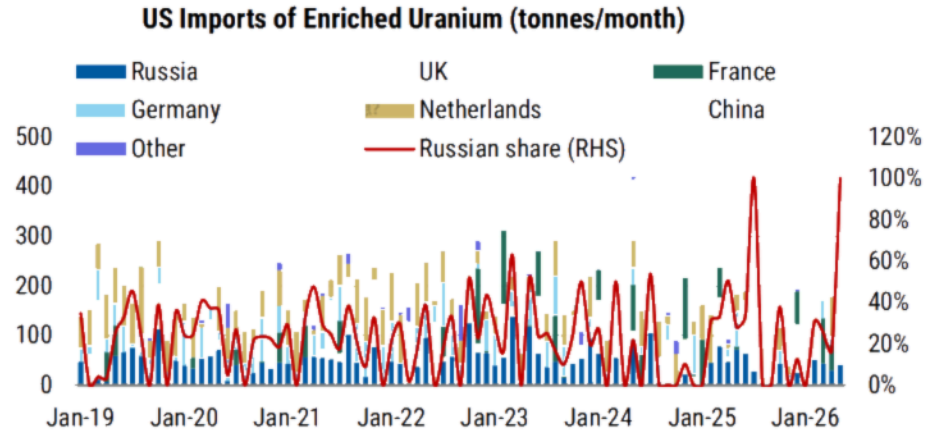

Source: Cameco

**Exhibit 86:** Sprott ETF Purchases



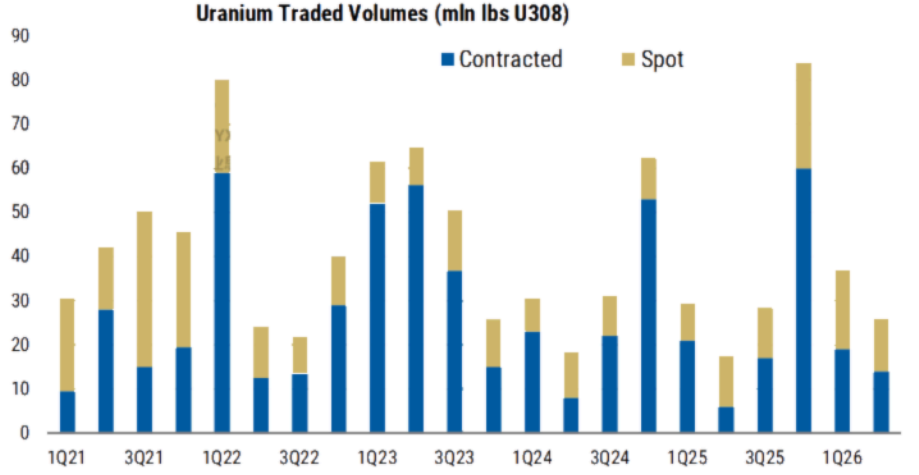

Source: Sprott, JxC, Morgan Stanley Research

**Exhibit 87:** US Enriched Uranium Imports




Source: Trademap

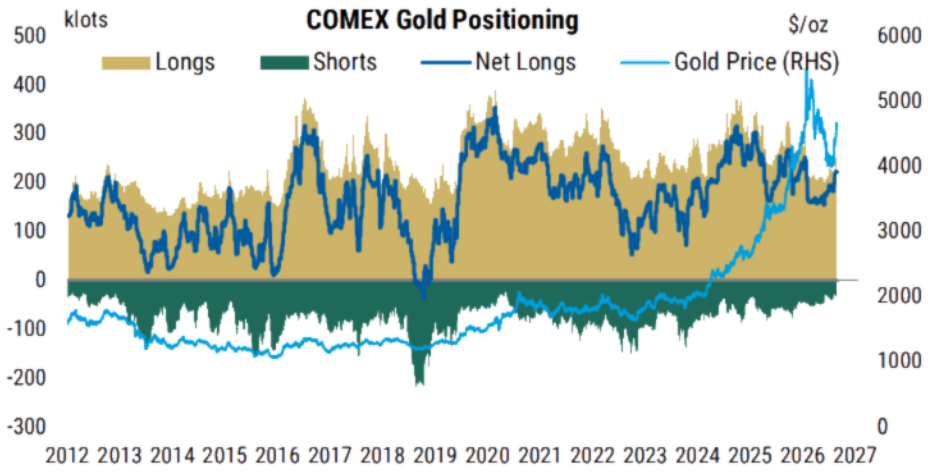
**Exhibit 88:** Quarterly contracting volumes




Source: Kazatomprom

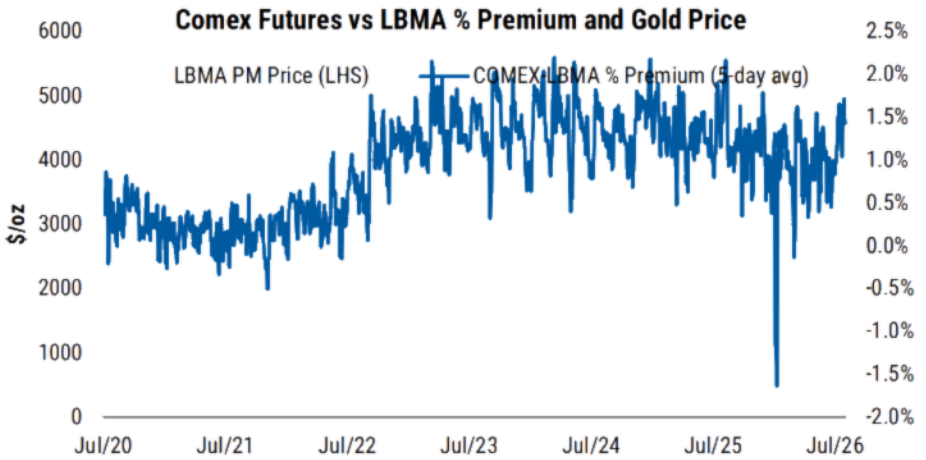
# Gold and Other Precious Metals

**Exhibit 89:** CFTC Gold Futures Positioning



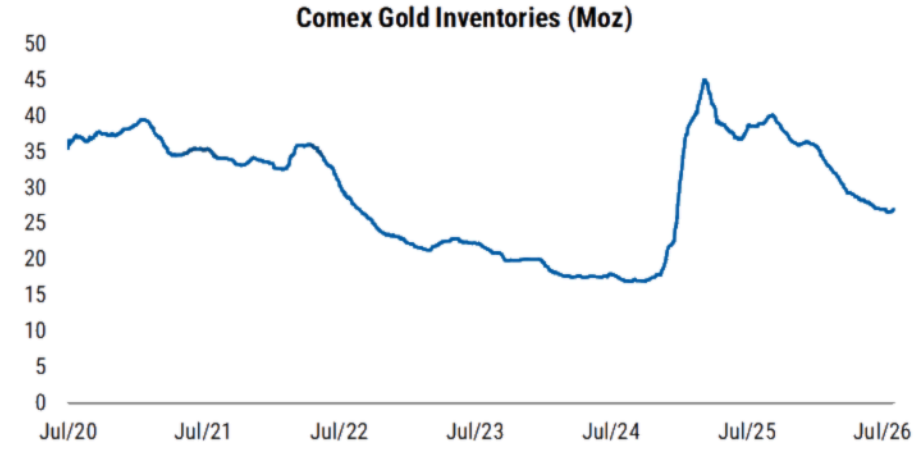

Source: Bloomberg

**Exhibit 90:** COMEX-LBMA Gold Premium



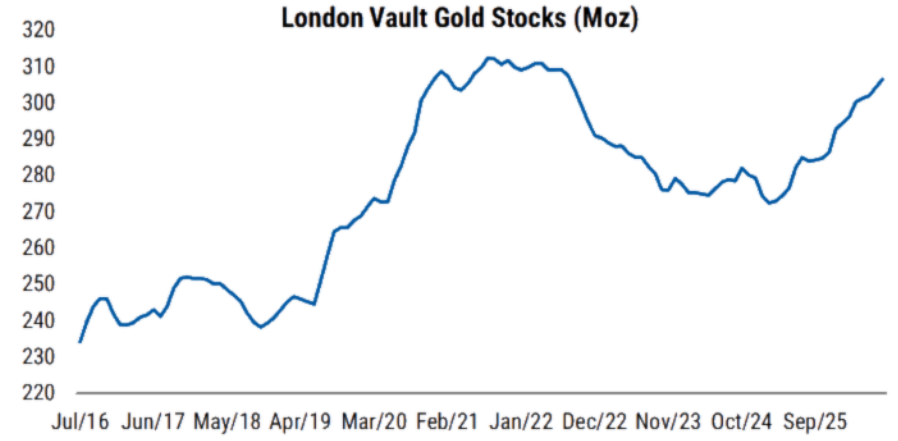

Source: Bloomberg

**Exhibit 91:** COMEX Gold Inventories



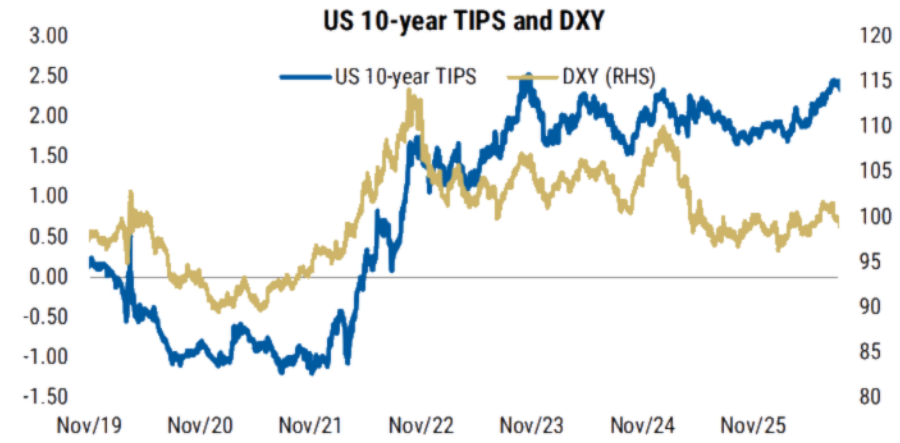

Source: Bloomberg

**Exhibit 92:** London Gold Vault Stocks



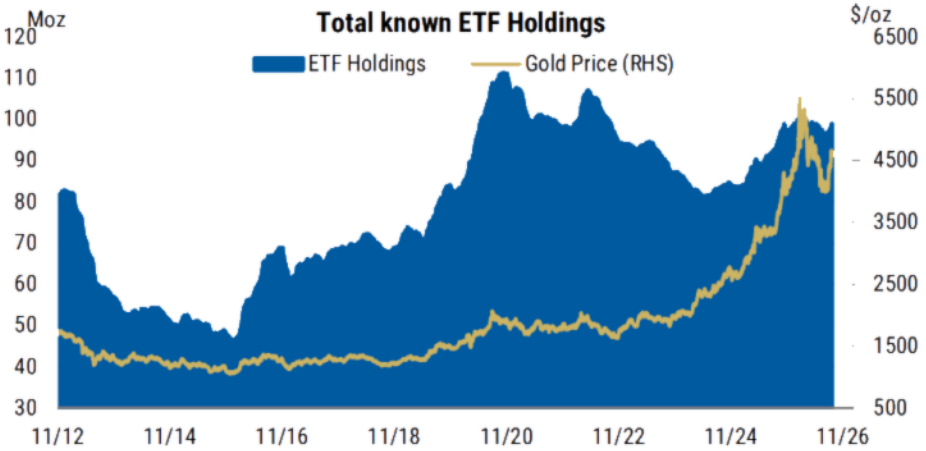

Source: LBMA

**Exhibit 93:** US 10 Year TIPS and DXY



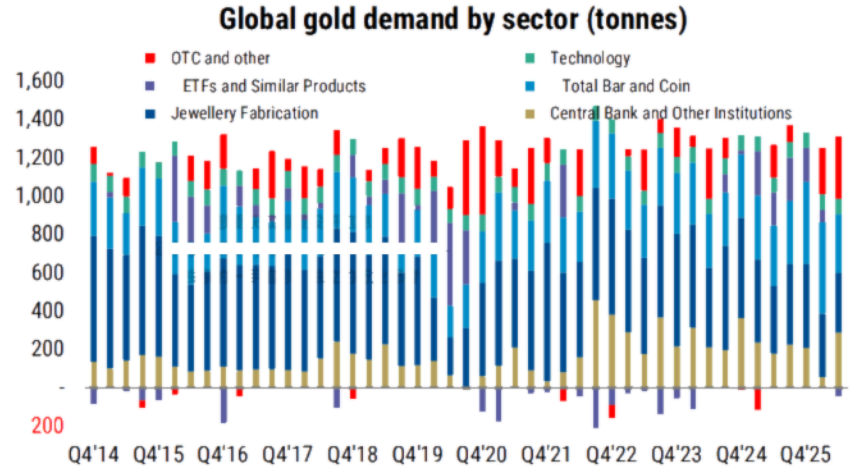

Source: Bloomberg

**Exhibit 94:** ETF Holdings vs Gold Price



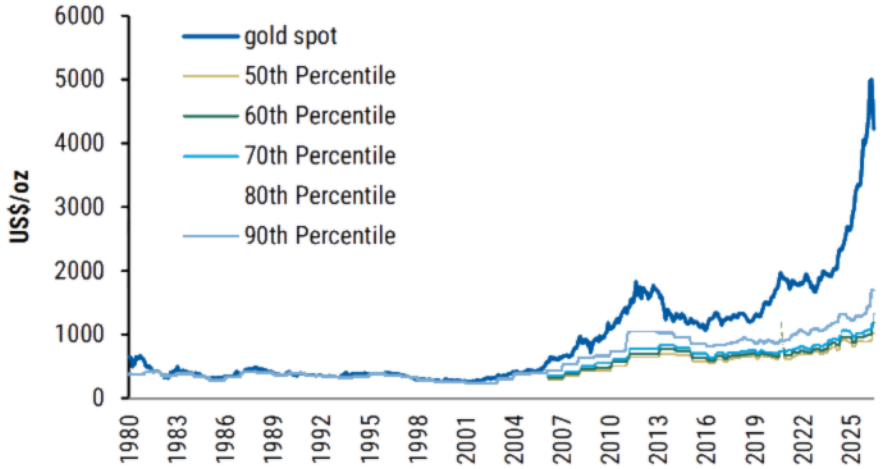

Source: Bloomberg

**Exhibit 95:** Global Gold Demand by Sector



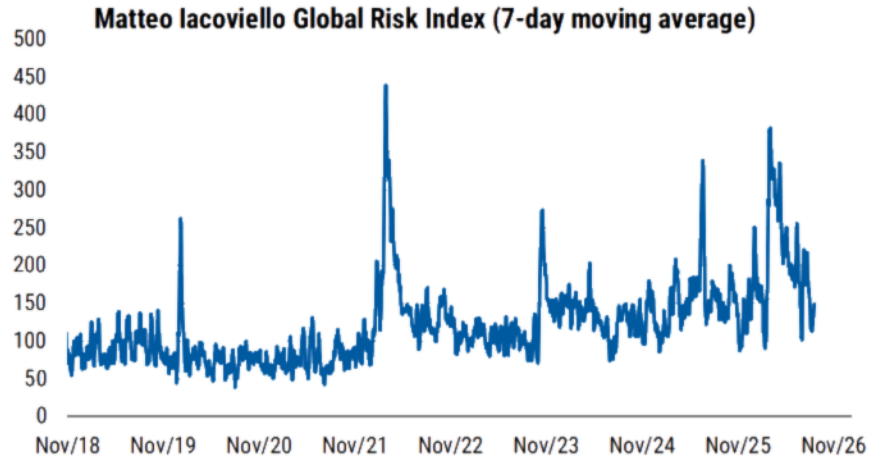

Source: World Gold Council

**Exhibit 96:** Gold Cost Curve Evolution



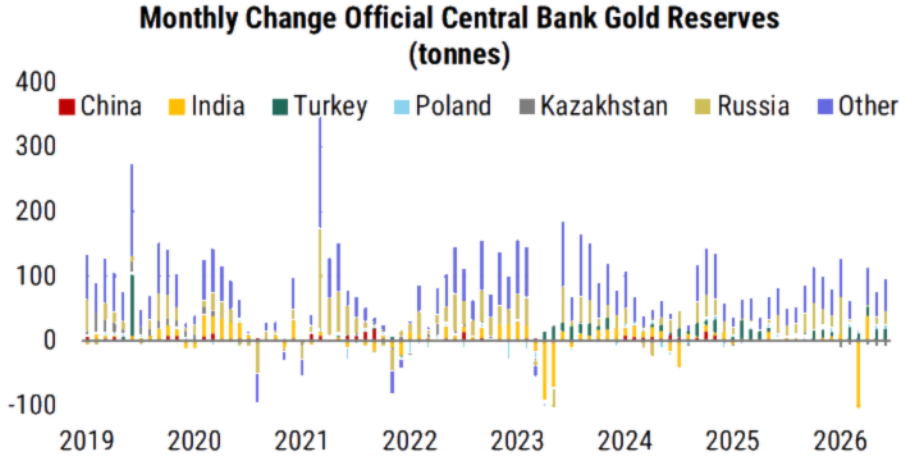

Source: Woodmac

**Exhibit 97:** Geopolitical Risk Index



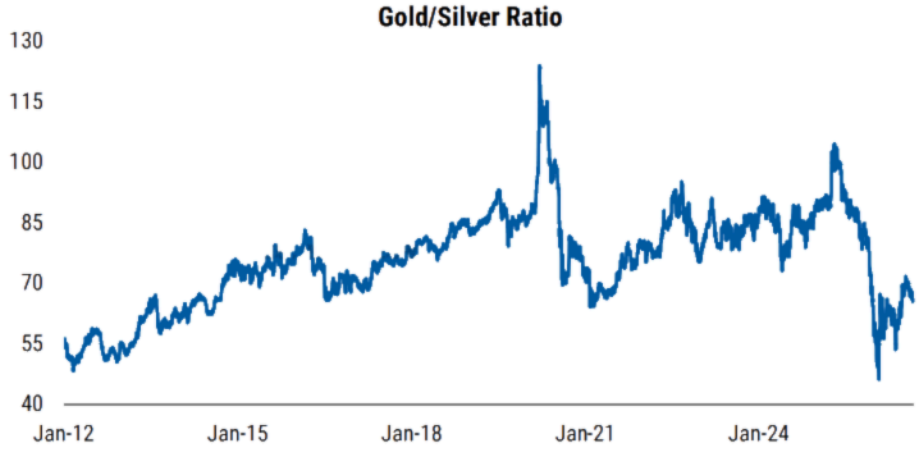

Source: Matteo Iacoviello

**Exhibit 98:** Monthly Central Bank Purchasing



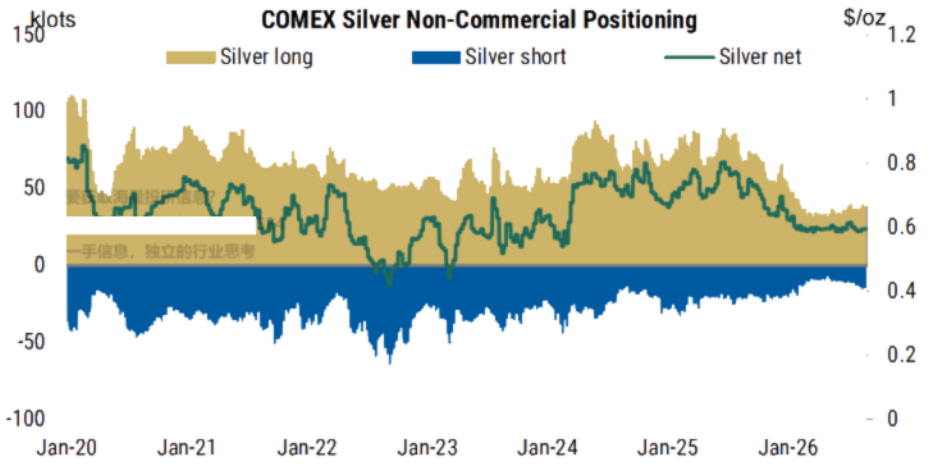

Source: World Gold Council

**Exhibit99:** Gold/Silver Ratio



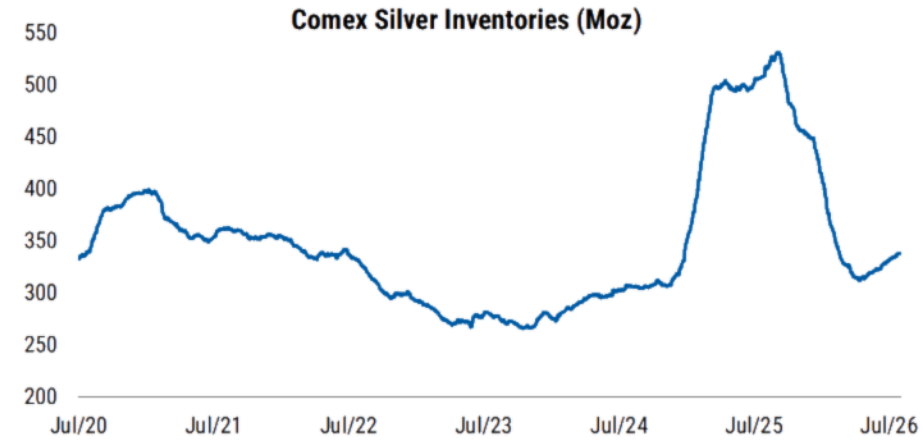

Source: Bloomberg

**Exhibit100:** CFTC Silver Futures Positioning



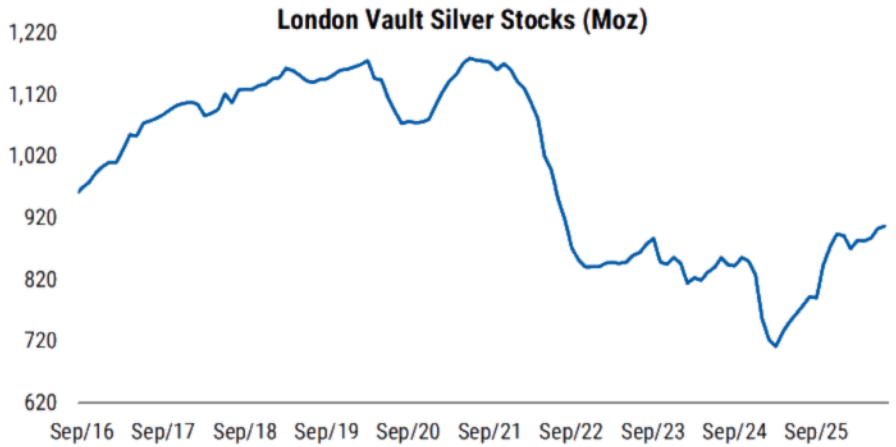

Source: Bloomberg

**Exhibit 101:** COMEX Silver Inventories




Source: Bloomberg

**Exhibit 102:** London Vault Silver Stocks



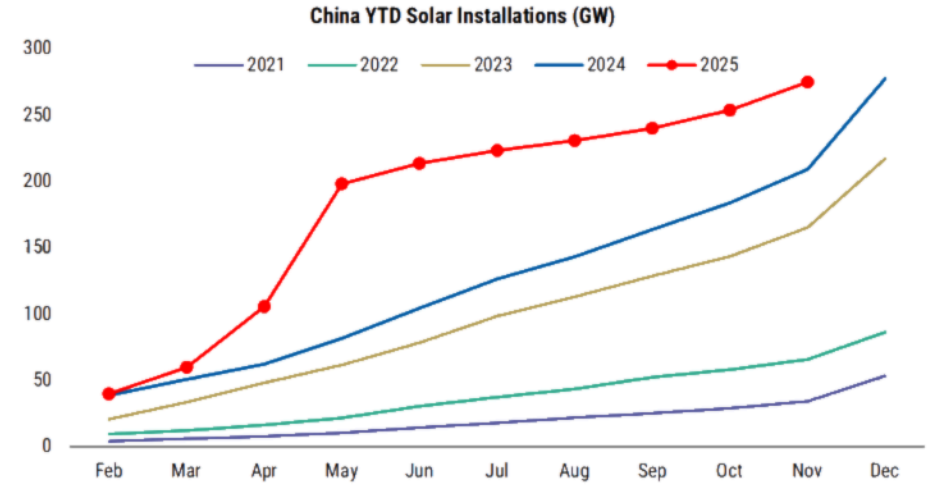

Source: LBMA

**Exhibit 103:** Total ETF Holdings




Source: Bloomberg

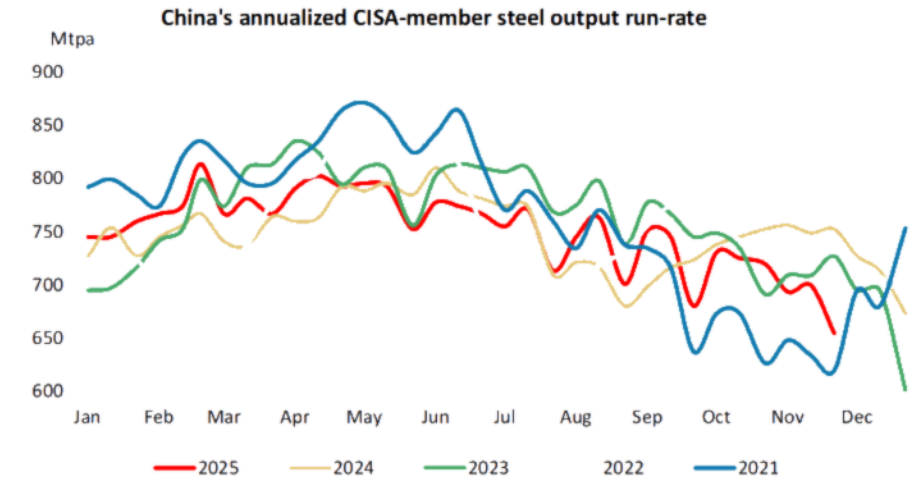
**Exhibit 104:** China Solar Installations




Source: Bloomberg

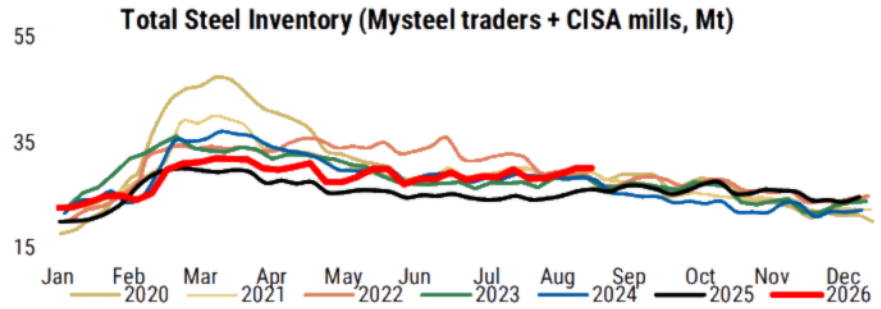
# Iron Ore & Steel

**Exhibit 105:** China CISA Steel Production




Source: CISA

**Exhibit 106:** China Steel Inventory



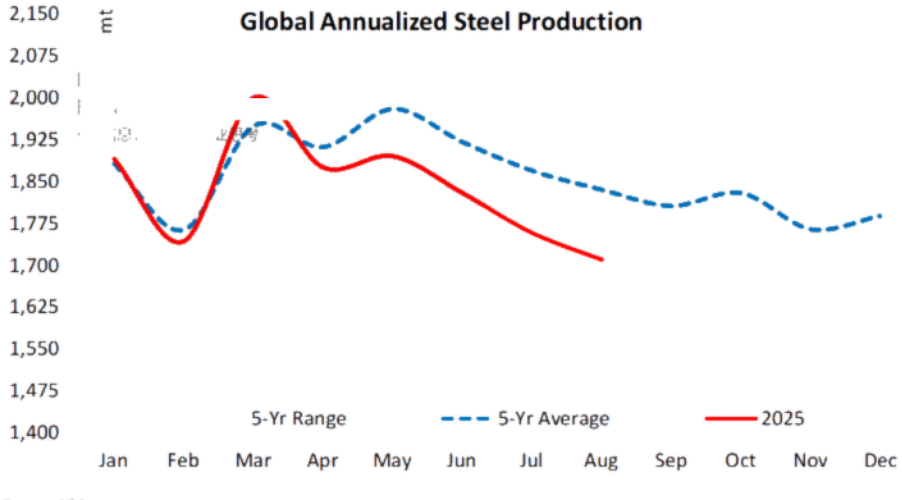

Source: Mysteel

**Exhibit 107:** China Steel Exports



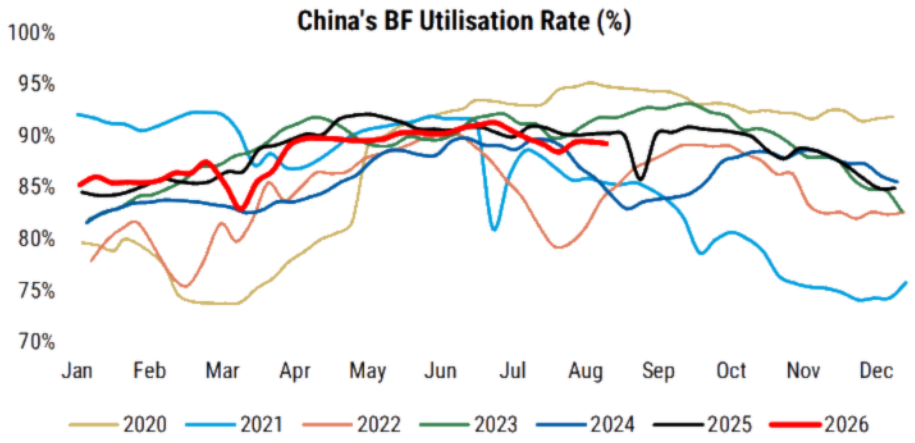

Source: Bloomberg

**Exhibit 108:** Global Steel Production



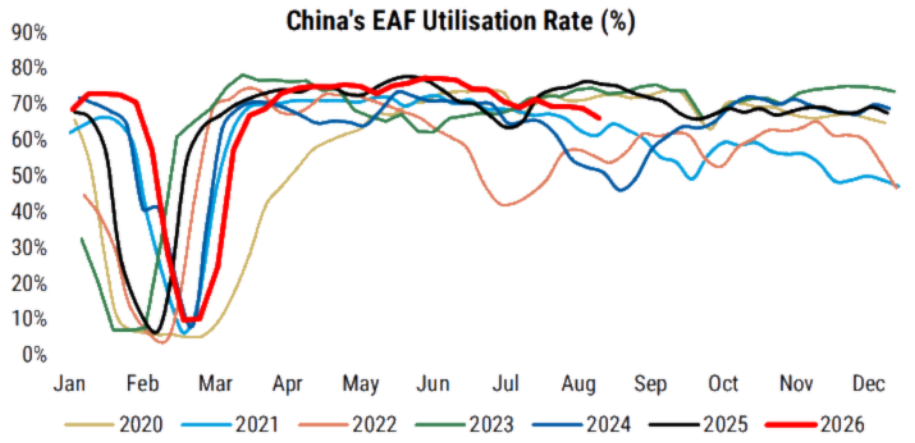

Source: WSA

**Exhibit 109:** China BF Utilisation Rate




Source: Mysteel

**Exhibit 110:** China EAF Utilisation Rate




Source: Mysteel

**Exhibit 111:** China Steel Scrap Ratio



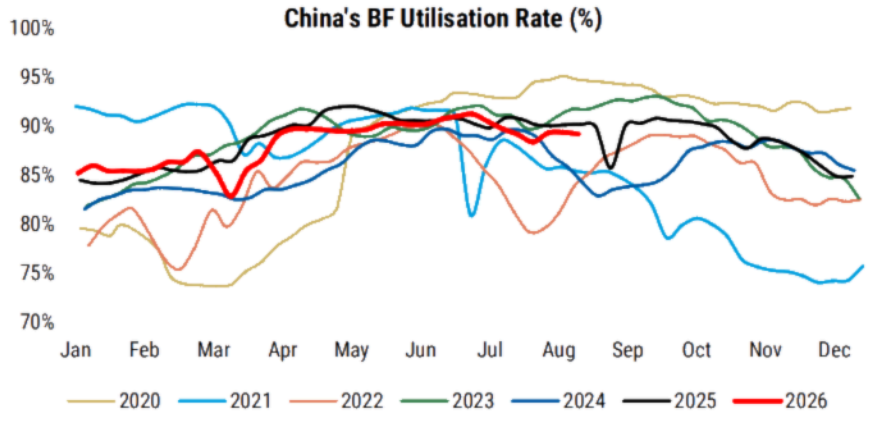

Source: Bloomberg

**Exhibit 112:** China Steel Mill Margin



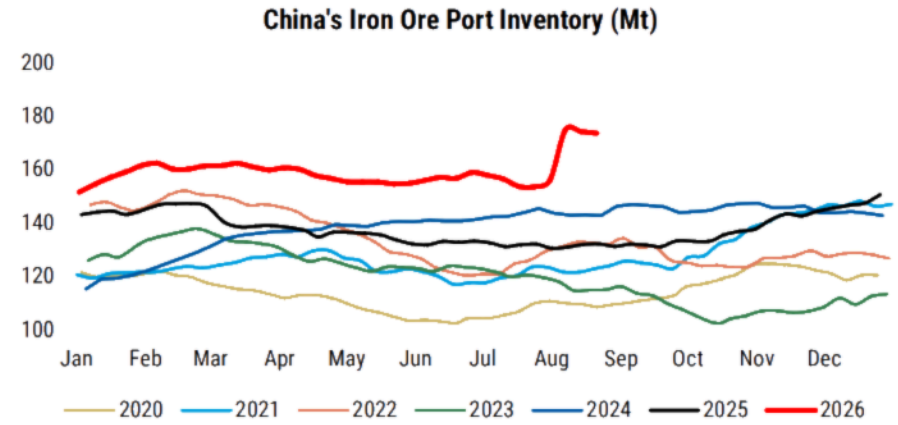

Source: Mysteel

**Exhibit 113:** China BF Utilisation



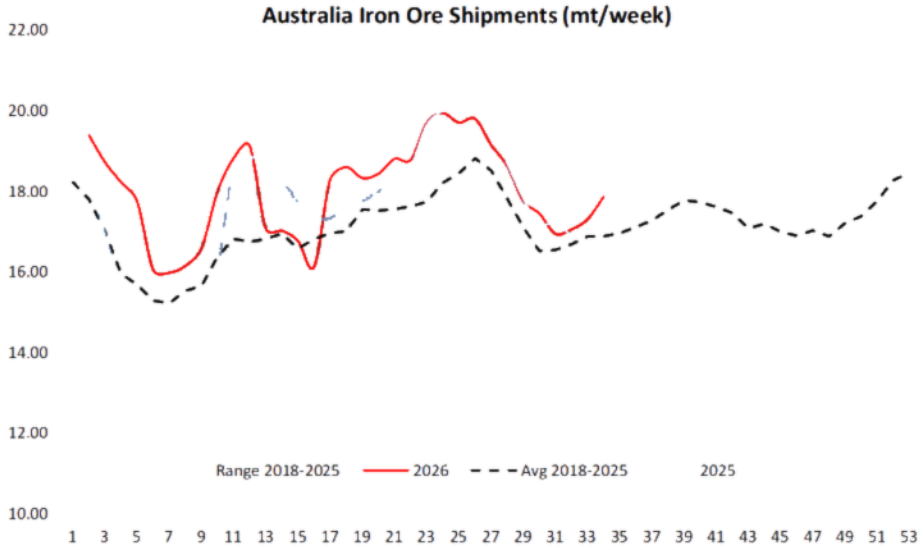

Source: Bloomberg

**Exhibit 114:** China Iron Ore Port Inventory



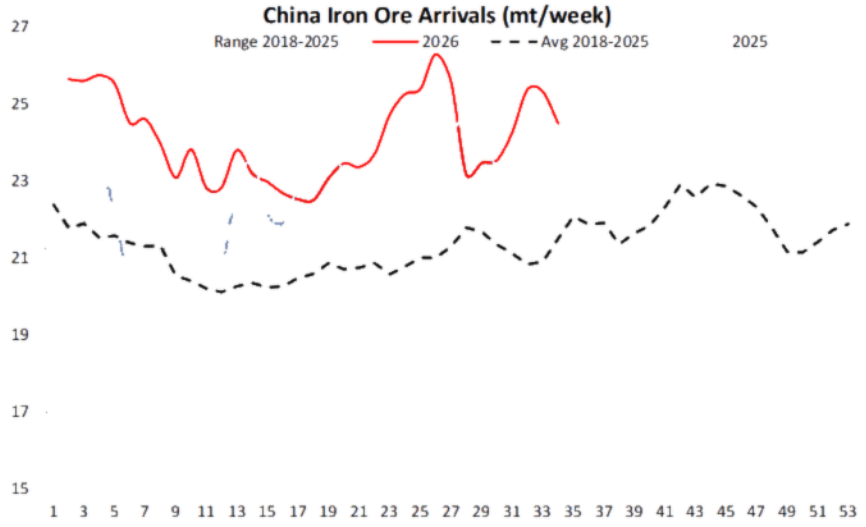

Source: Mysteel

**Exhibit 115:** Australia Iron Ore Shipments



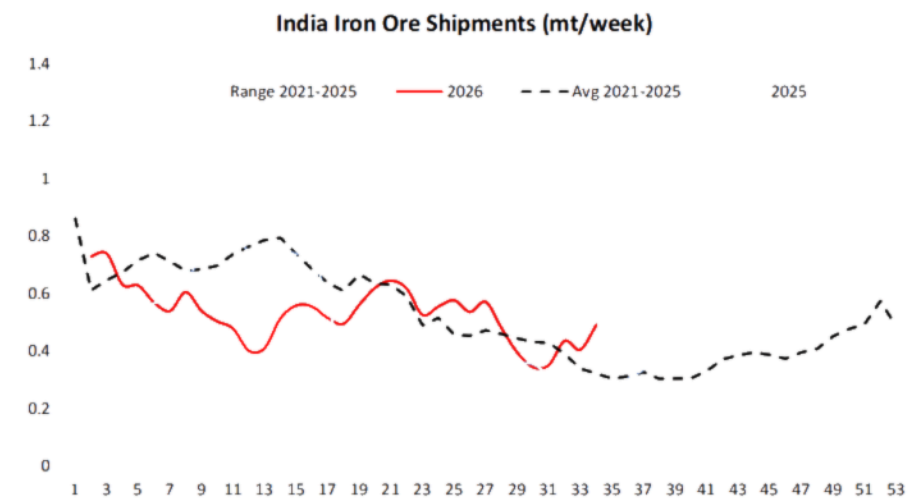

Source: Exiar

**Exhibit 116:** China Iron Ore Arrivals



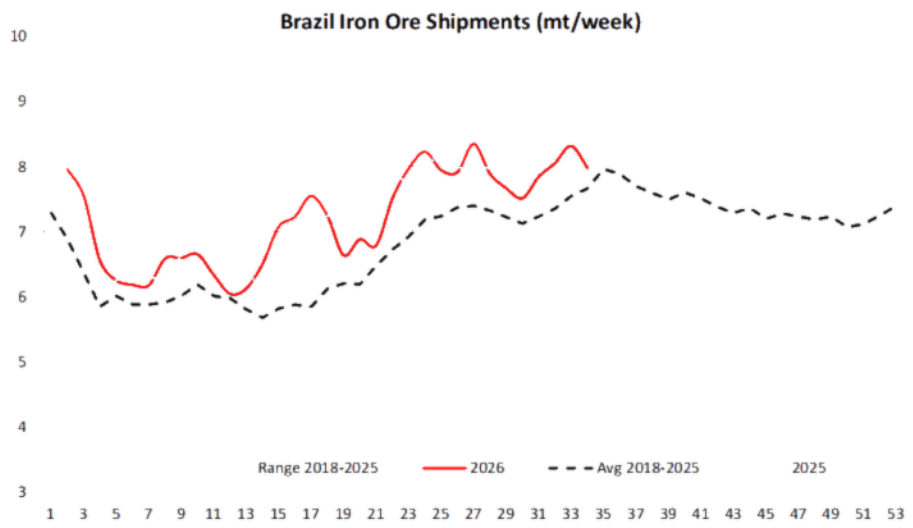

Source: Eikon

**Exhibit 117:** India Iron Ore Shipments



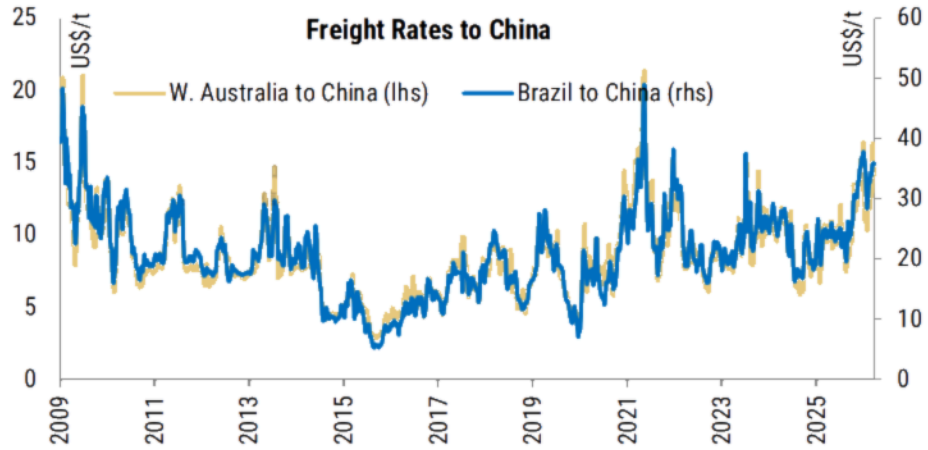

Source: Exxon

**Exhibit 118:** Brazil Iron Ore Shipments



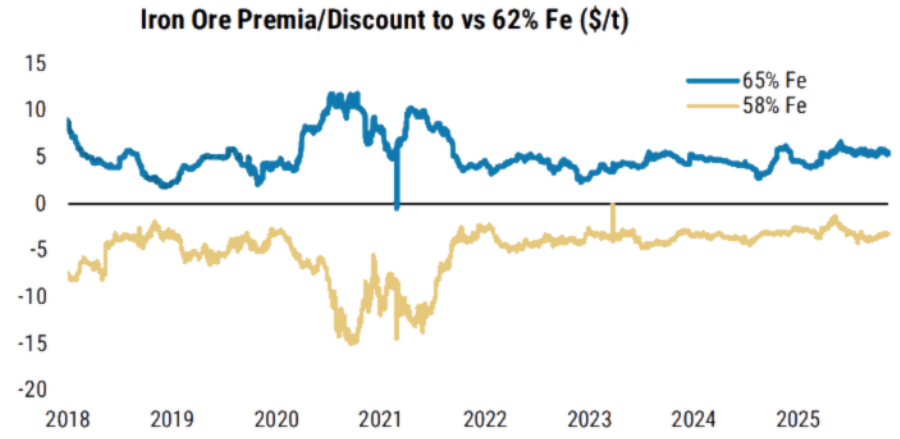

Source: Elkon

**Exhibit 119:** Freight Rates to China




Source: Bloomberg

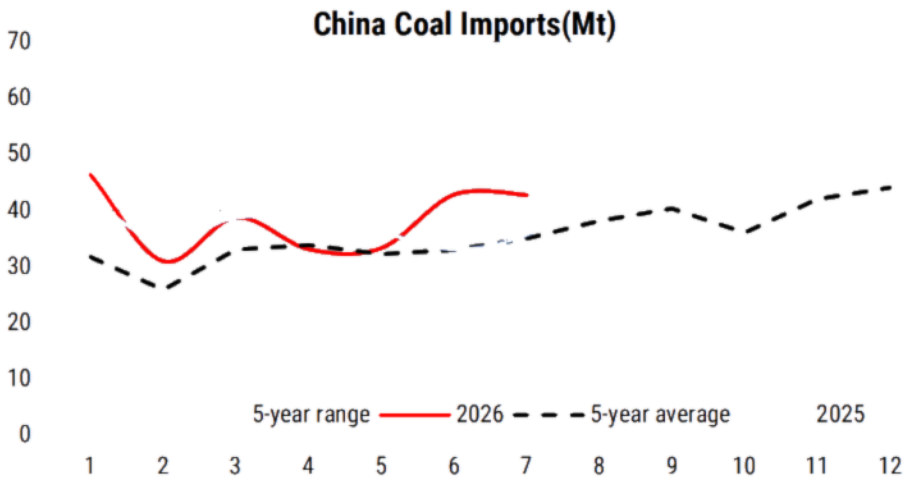
**Exhibit 120:** Iron Ore Premia/Discount




Source: Platts

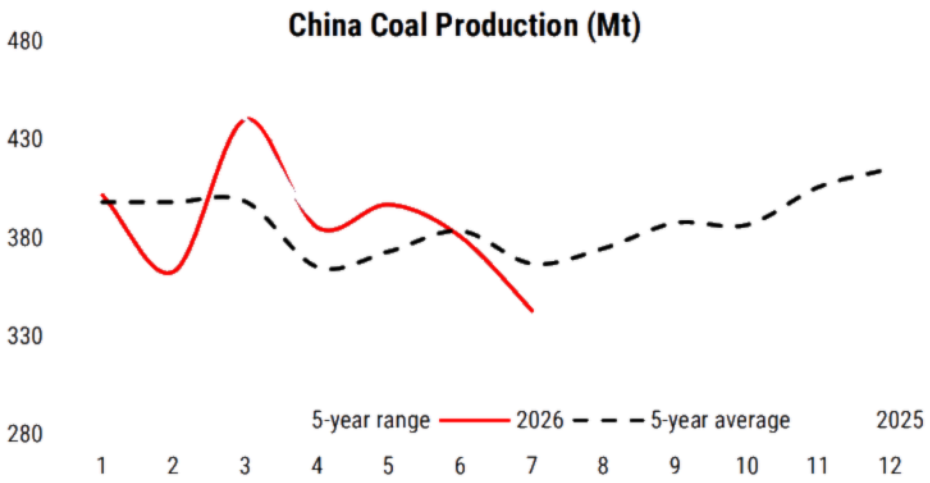
# Coal

**Exhibit 121:** China Coal Imports



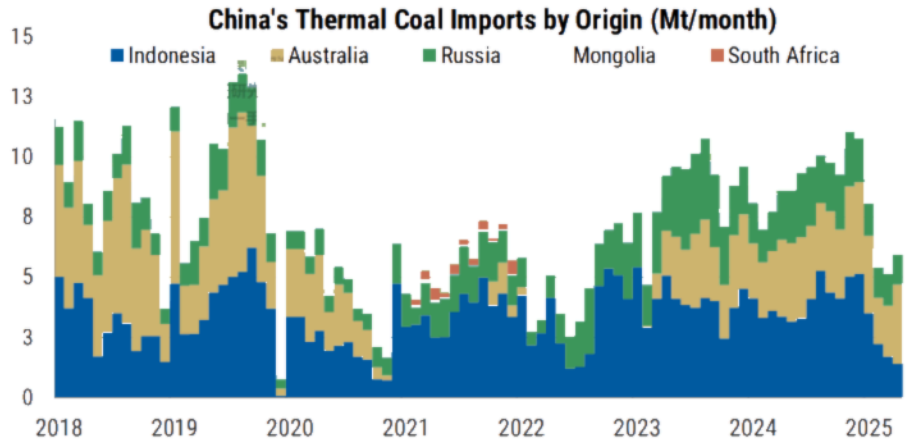

Source: Bloomberg

**Exhibit 122:** China Coal Production



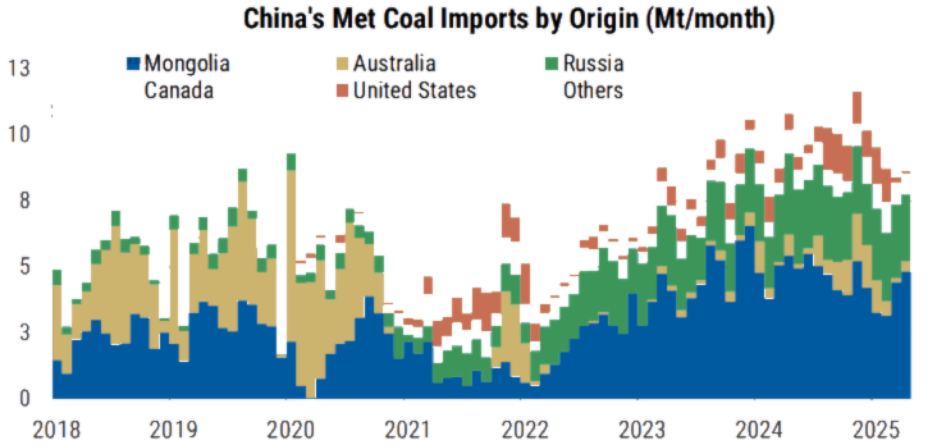

Source: Bloomberg

**Exhibit 123:** China Thermal Coal Imports



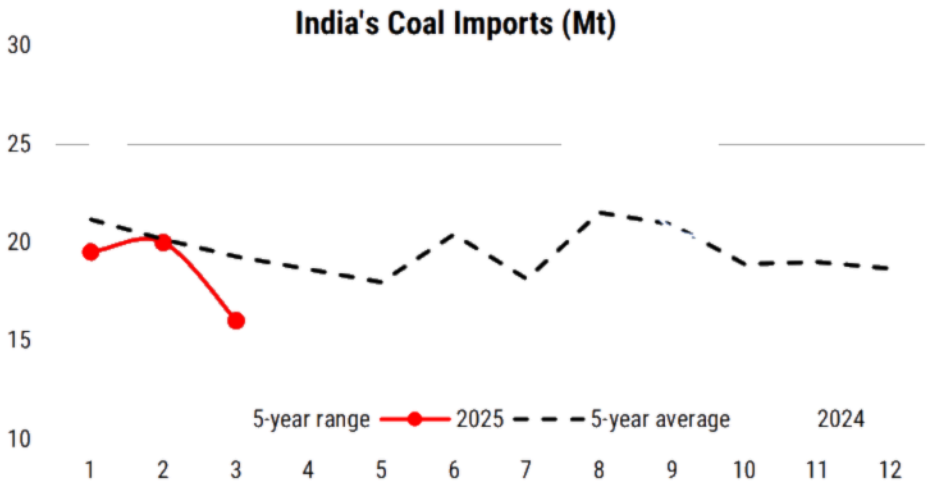

Source: McCloskey

**Exhibit 124:** China Met Coal Imports



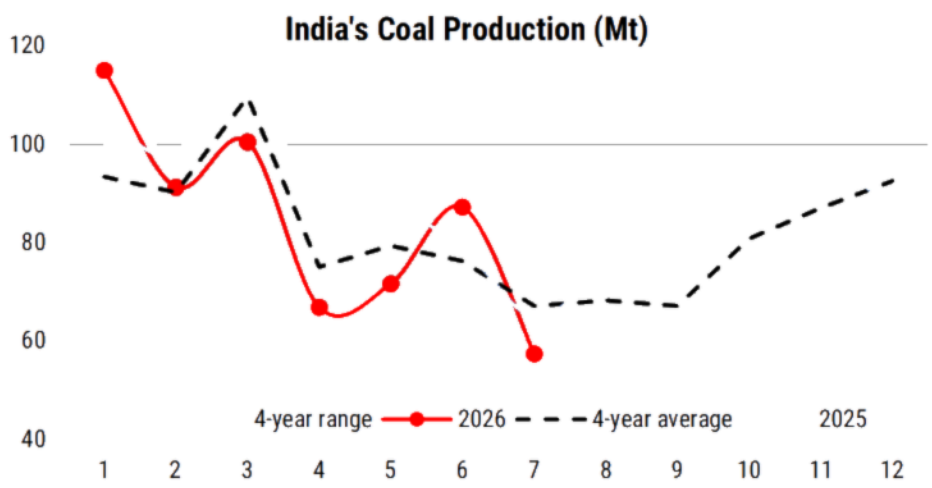

Source: McCloskey

**Exhibit 125:** India Coal Imports



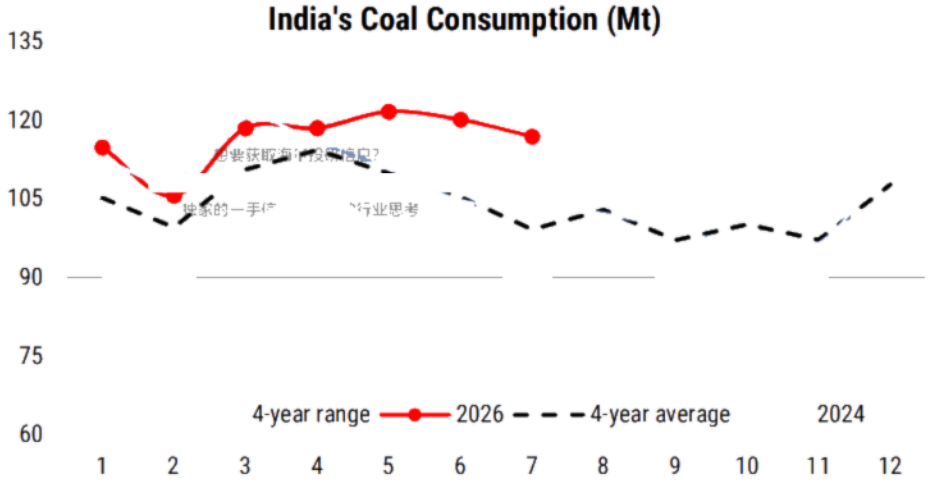

Source: McCloskey

**Exhibit 126:** India Coal Production



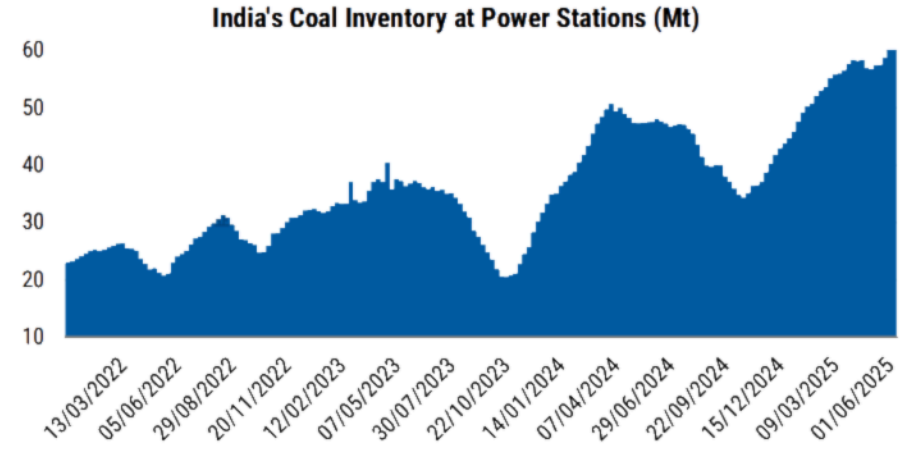

Source: Ministry of Coal, Government of India

**Exhibit 127:** India Coal Consumption



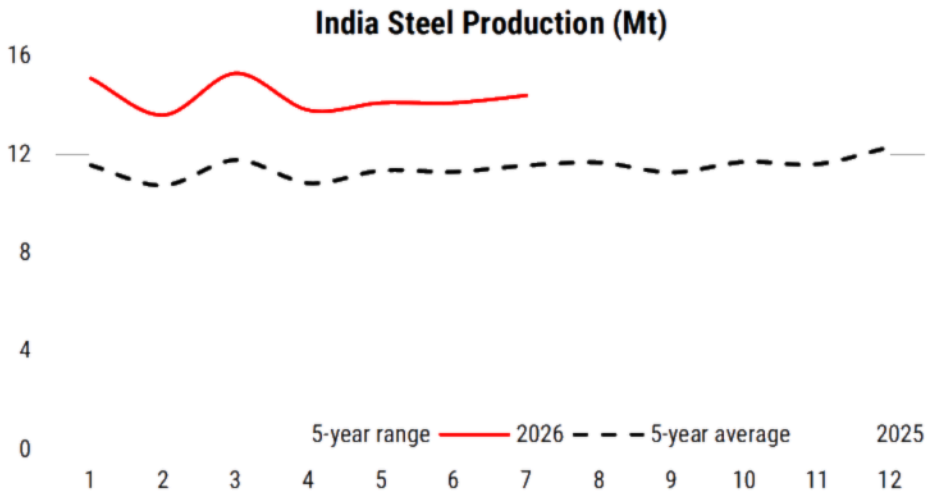

Source: Ministry of Coal, Government of India

**Exhibit 128:** India Coal Inventory at Power Station



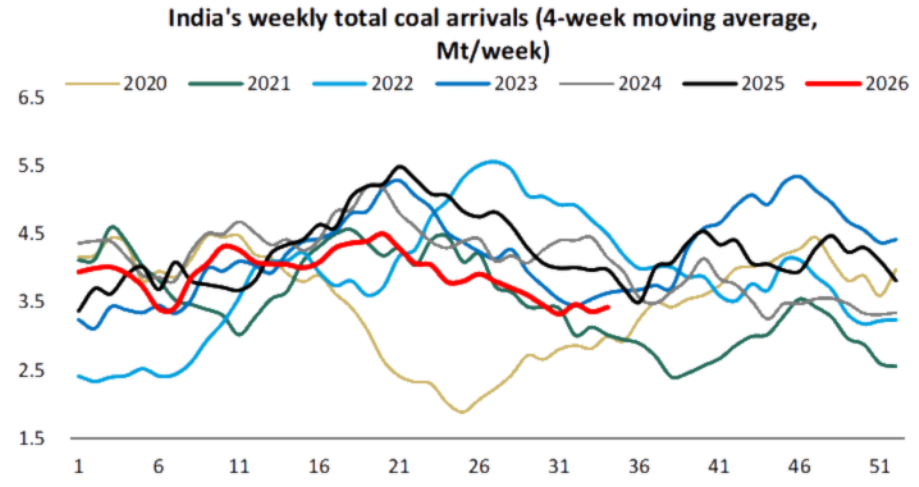

Source: McCloskey

**Exhibit 129:** India Steel Production



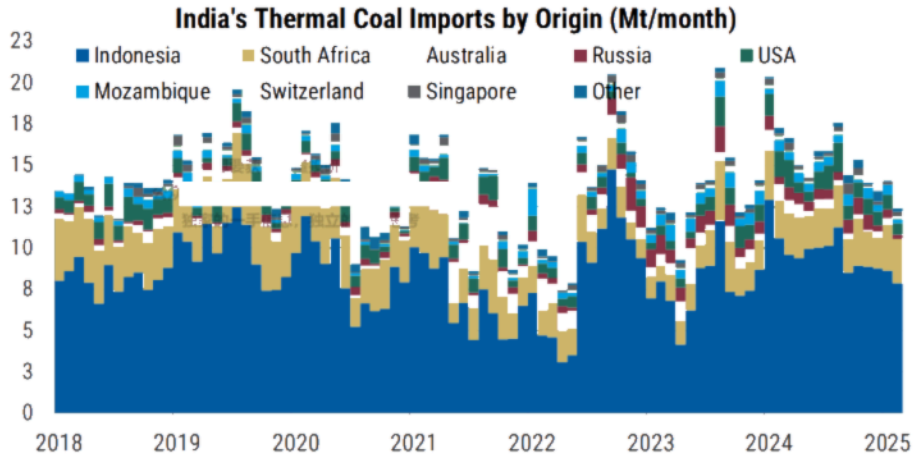

Source Bloomberg

**Exhibit 130:** India Coal Arrivals



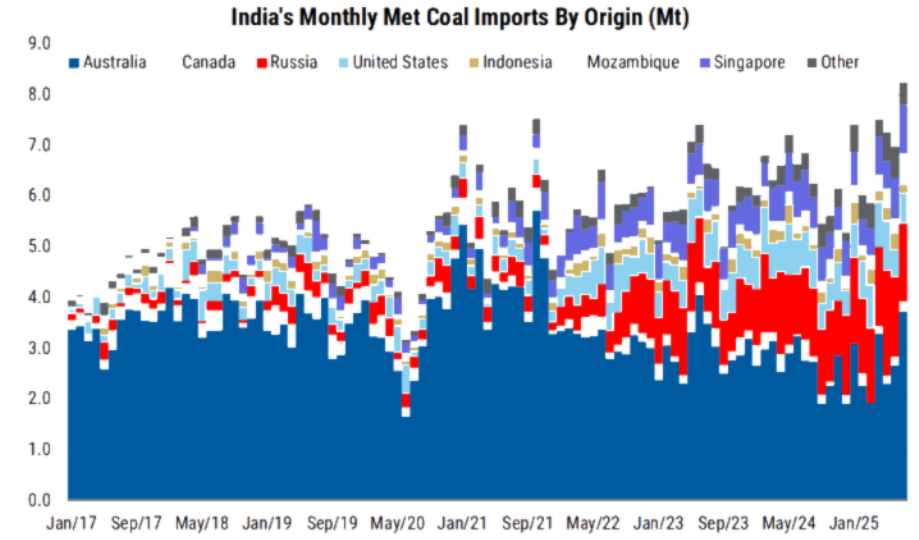

Source Eikon

**Exhibit 131:** India Thermal Coal Imports



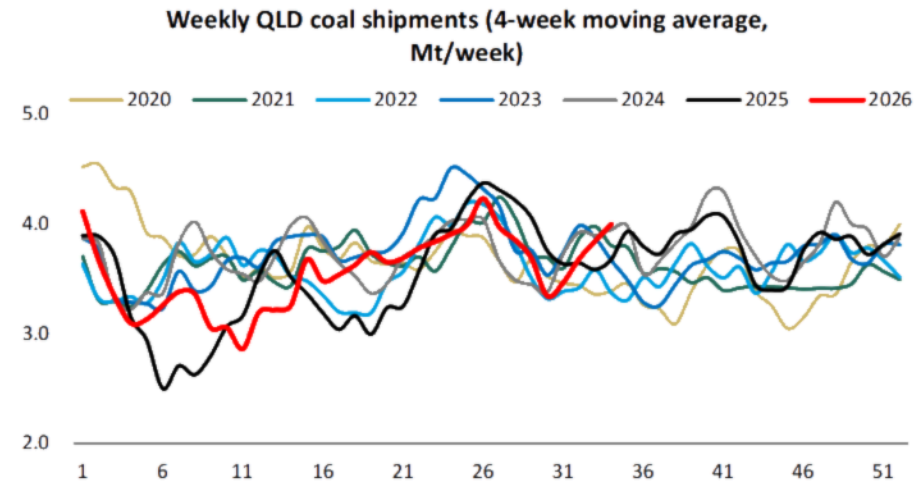

Source McCloskey

**Exhibit 132:** India Met-Coal Imports



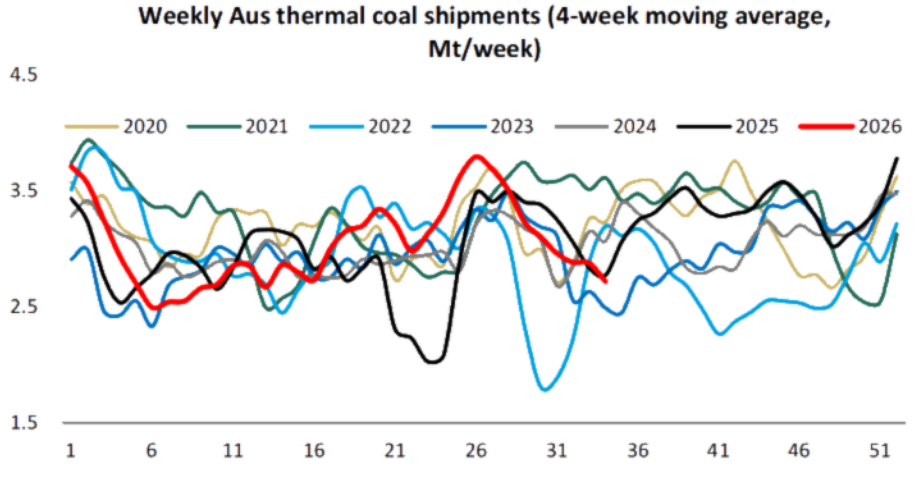

Source McCloskey

**Exhibit 133:** Queensland Coal Shipments



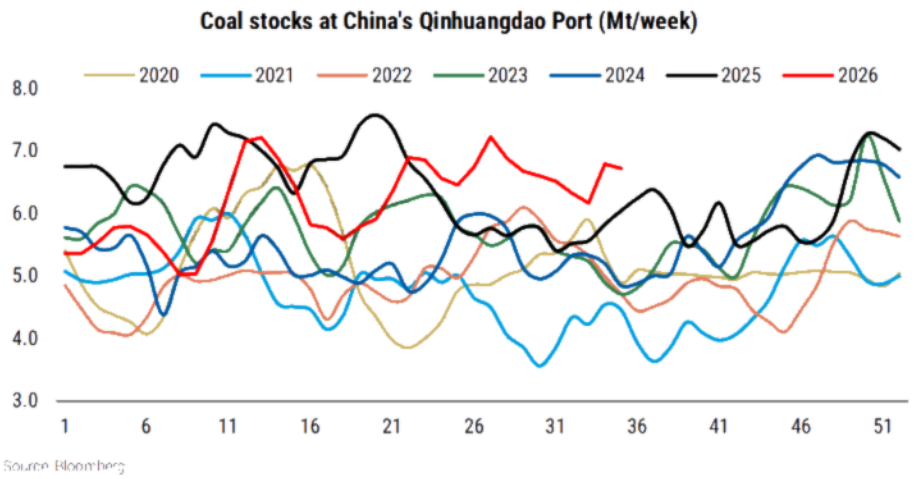

Source: Exxon

**Exhibit 134:** Australia Thermal Coal Shipments



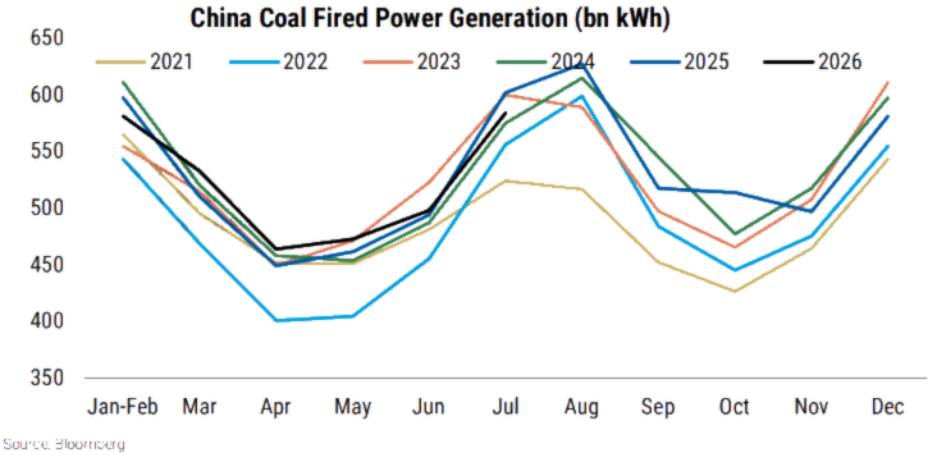

Source: Eikon

**Exhibit 135:** Coal Stocks at Qinhuangdao Port




Source: Bloomberg

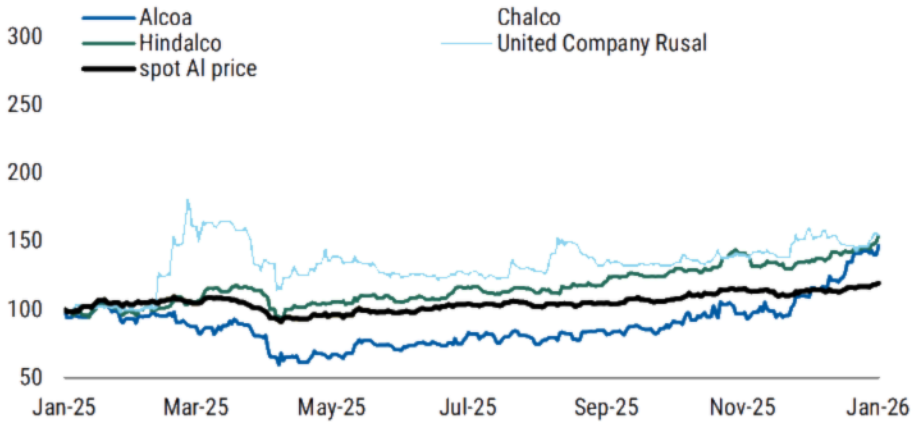
**Exhibit 136:** China Coal-fired Power Generation




Source: Bloomberg

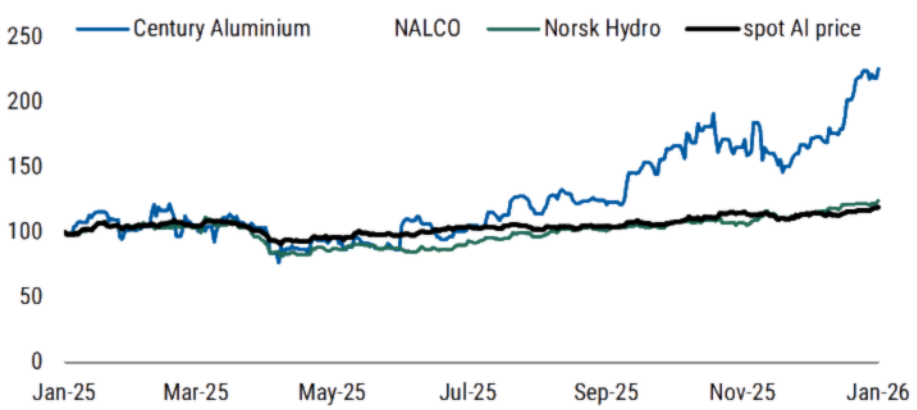
# Equity vs. Commodity – Relative One-Year Performance

**Exhibit 137:** Aluminium (large cap)



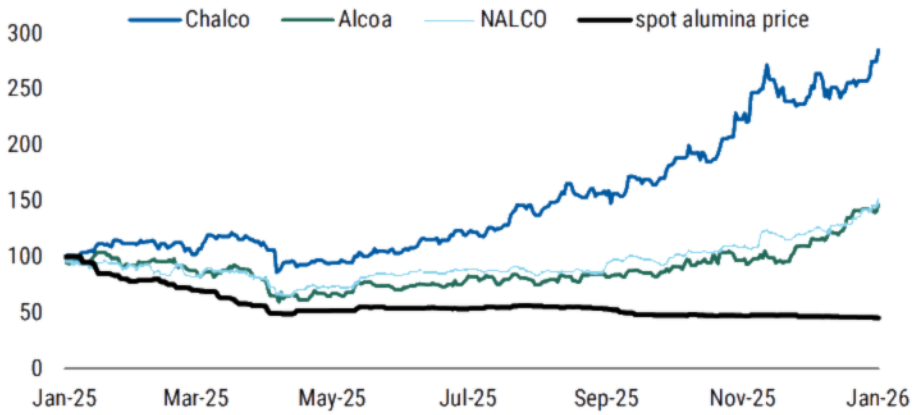

Source: Bloomberg, Morgan Stanley Research

**Exhibit138:** Aluminium (small-medium cap)



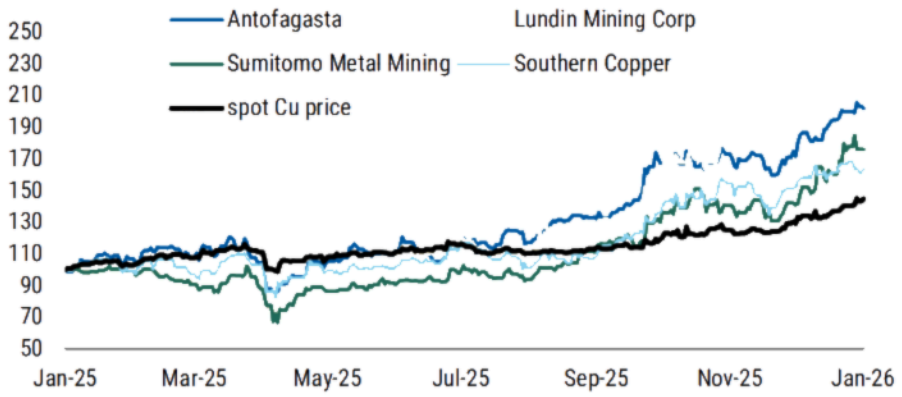

Source: Bloomberg, Morgan Stanley Research

**Exhibit139:** Alumina



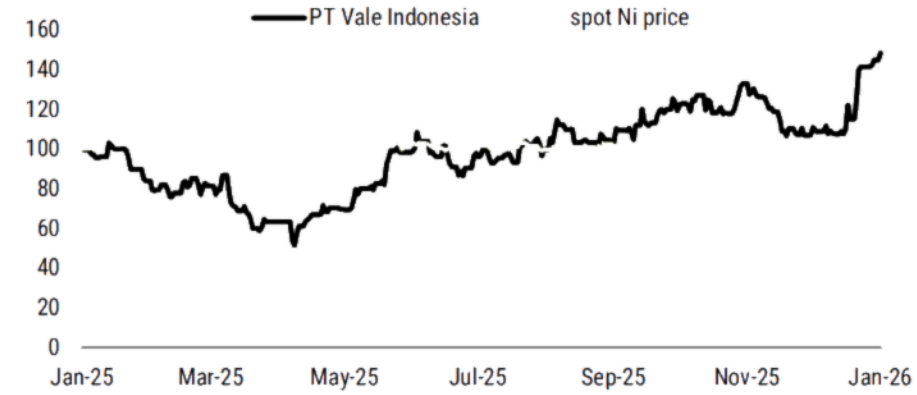

Source: Bloomberg, Morgan Stanley Research

**Exhibit 140:** Copper



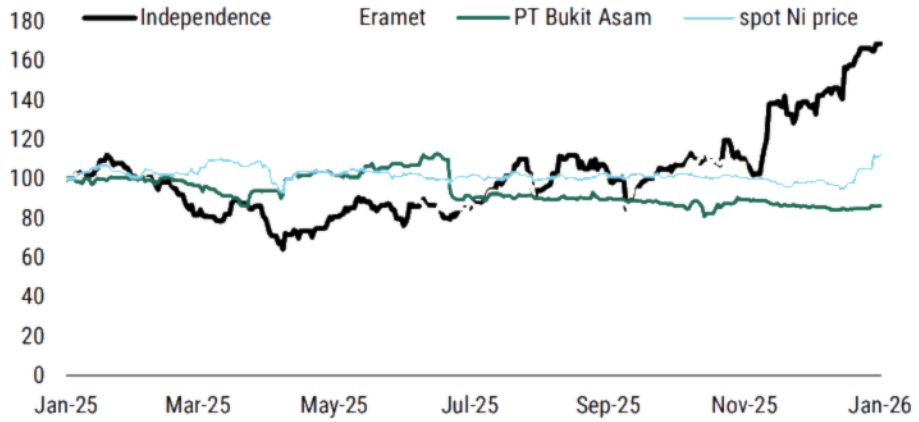

Source: Bloomberg, Morgan Stanley Research

**Exhibit141:** Nickel (large cap)



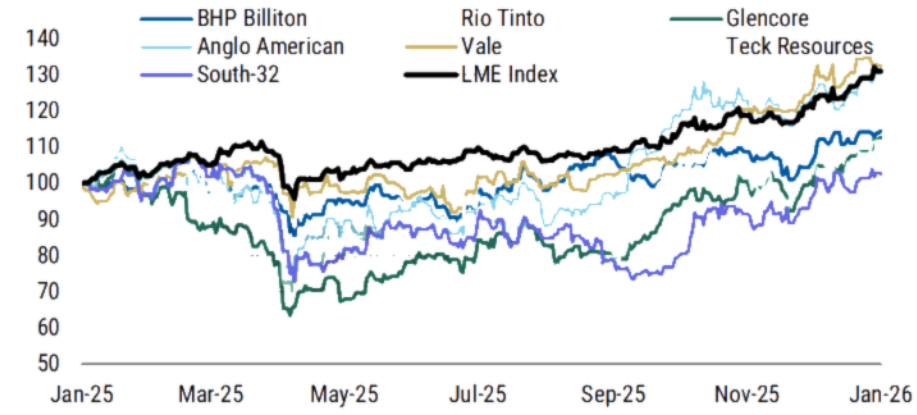

Source: Bloomberg, Morgan Stanley Research

**Exhibit 142:** Nickel (small-medium cap)



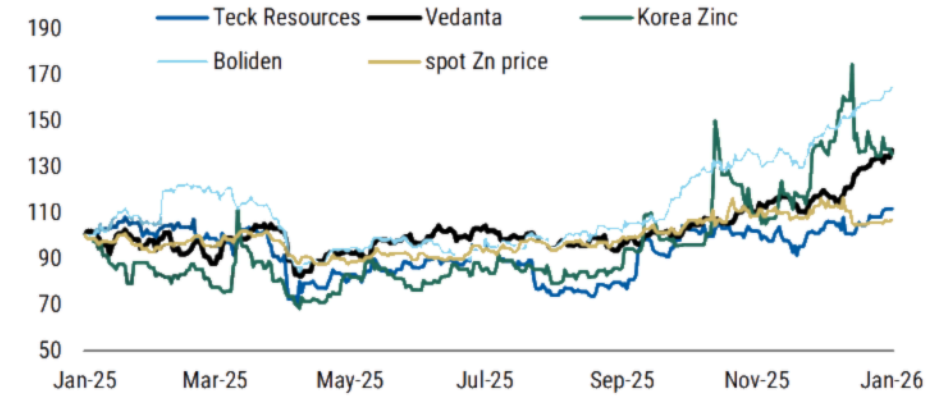

Source: Bloomberg, Morgan Stanley Research

**Exhibit143:** Diversifieds



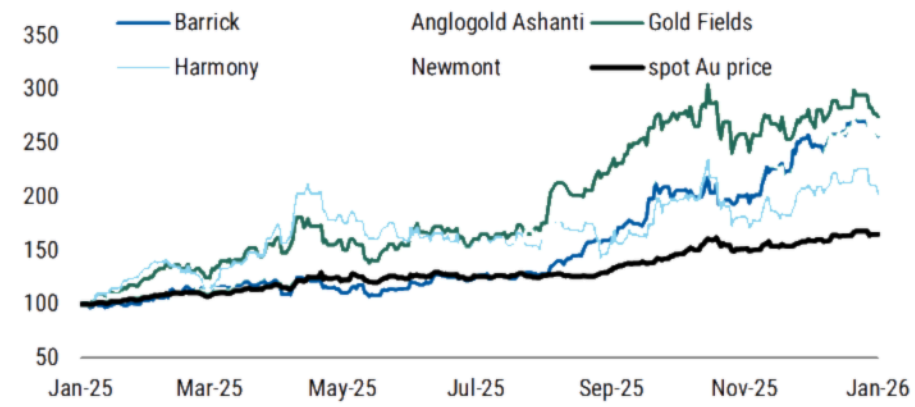

Source: Bloomberg, Morgan Stanley Research

**Exhibit 144:** Zinc



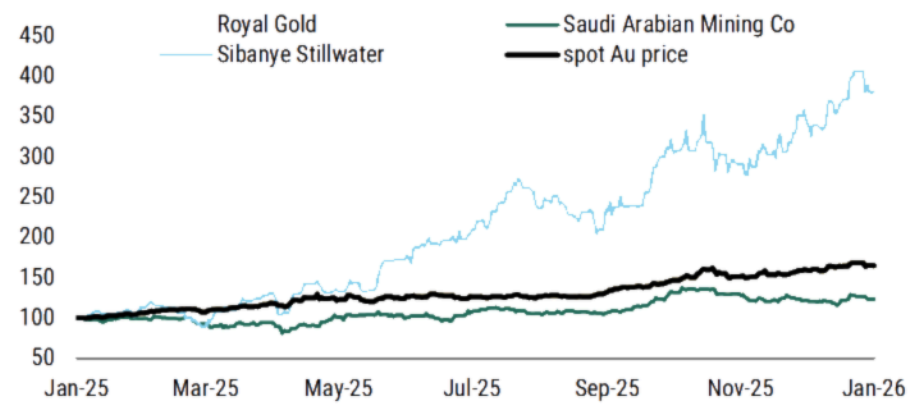

Source: Bloomberg, Morgan Stanley Research

**Exhibit145:** Gold (large cap)



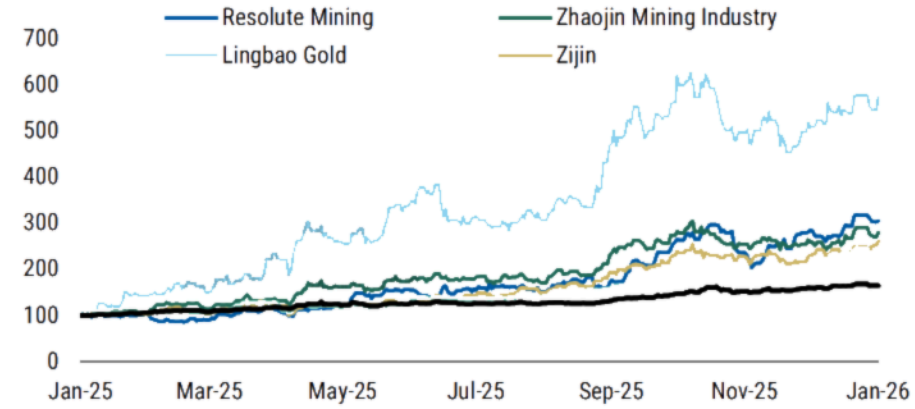

Source: Bloomberg, Morgan Stanley Research

**Exhibit146:** Gold (small/medium cap)



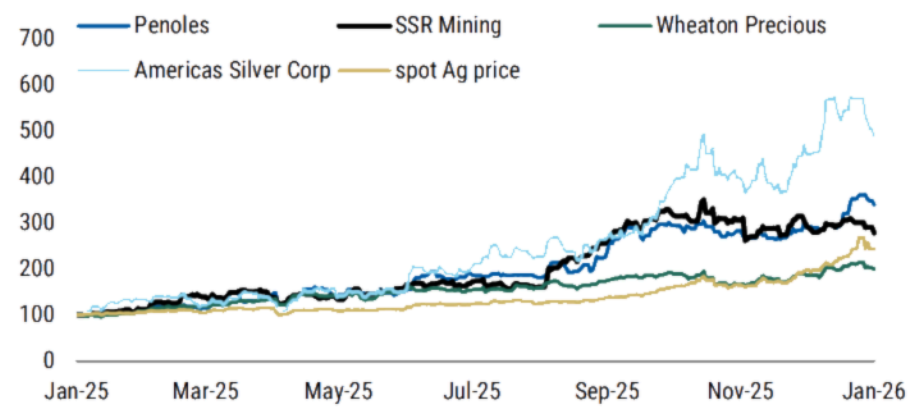

Source: Bloomberg, Morgan Stanley Research

**Exhibit147:** Gold (small / medium cap)



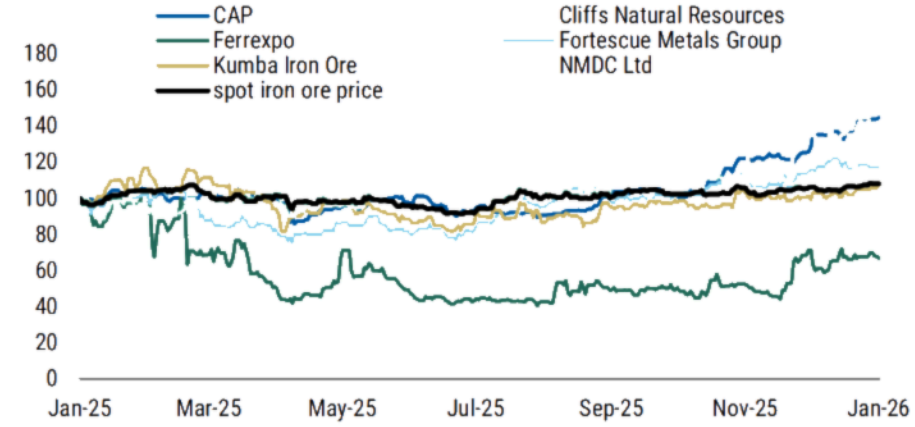

Source: Bloomberg, Morgan Stanley Research

**Exhibit148:** Silver



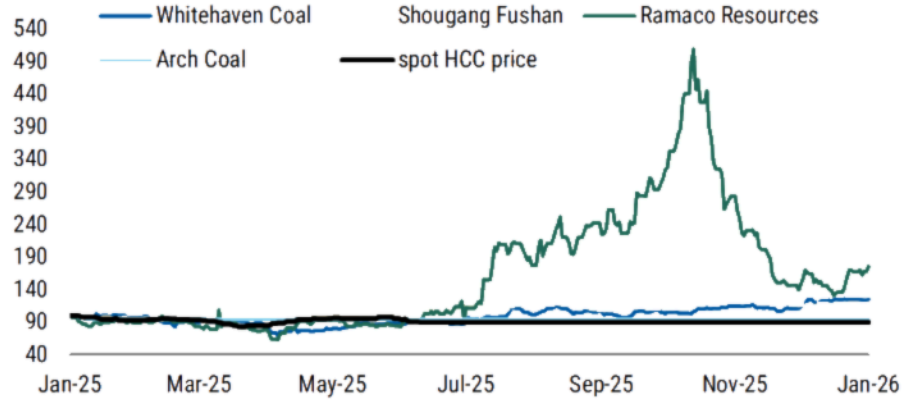

Source: Bloomberg, Morgan Stanley Research

**Exhibit149:** Iron ore



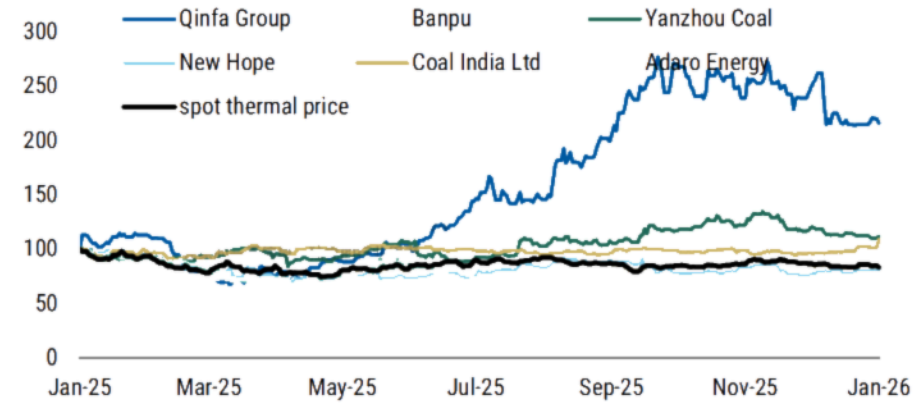

Source: Bloomberg, Morgan Stanley Research

**Exhibit150:** Metallurgical coal



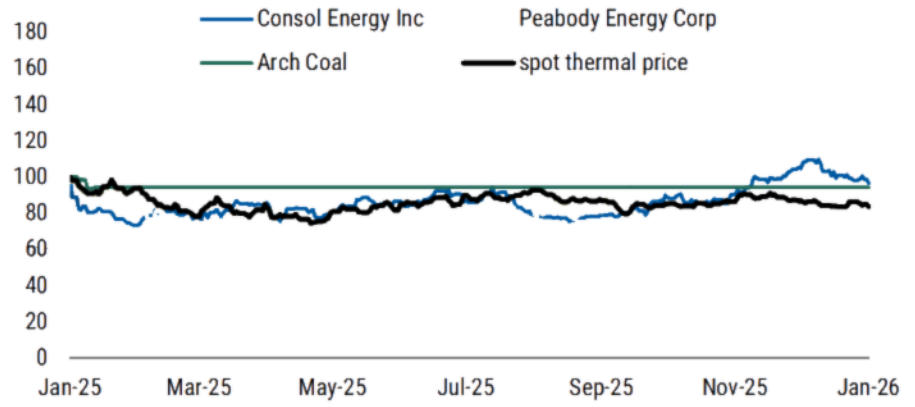

Source: Bloomberg, Morgan Stanley Research

**Exhibit151:** Thermal coal – Asia



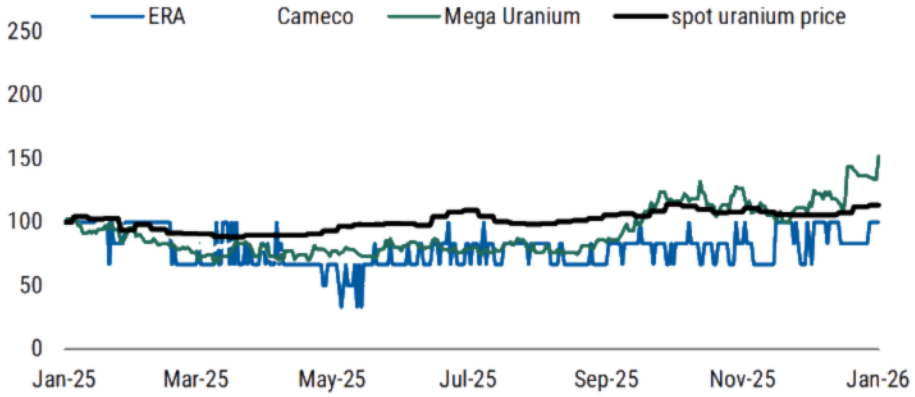

Source: Bloomberg, Morgan Stanley Research

**Exhibit 152:** Thermal coal – North America



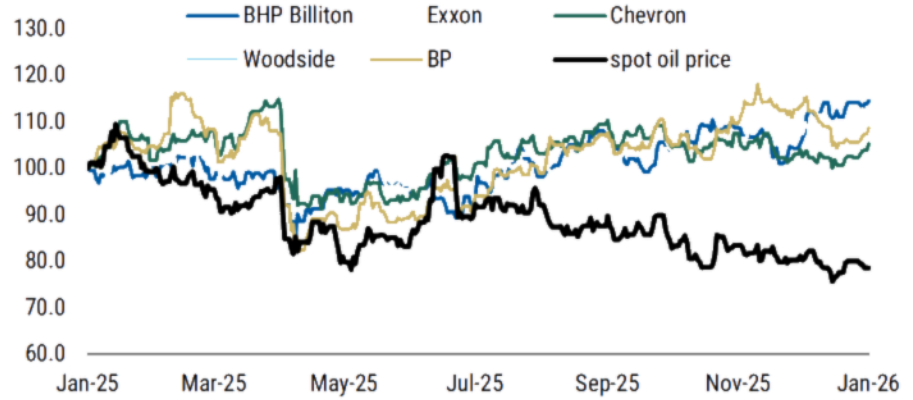

Source: Bloomberg, Morgan Stanley Research

**Exhibit153:** Uranium



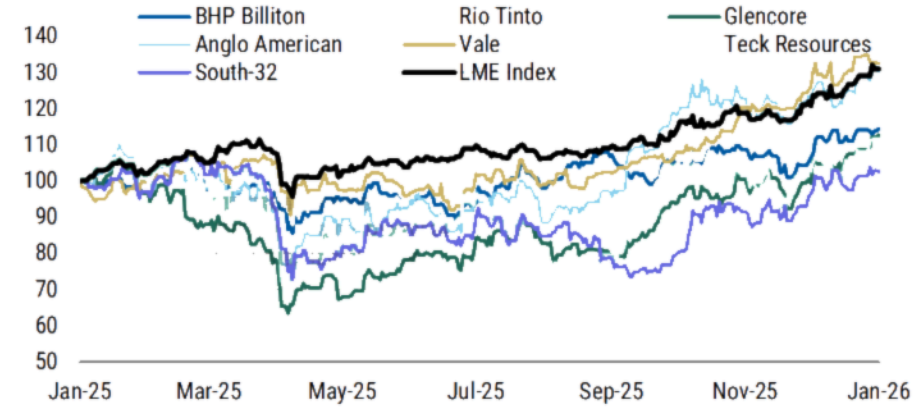

Source: Bloomberg, Morgan Stanley Research

**Exhibit154:** Oil



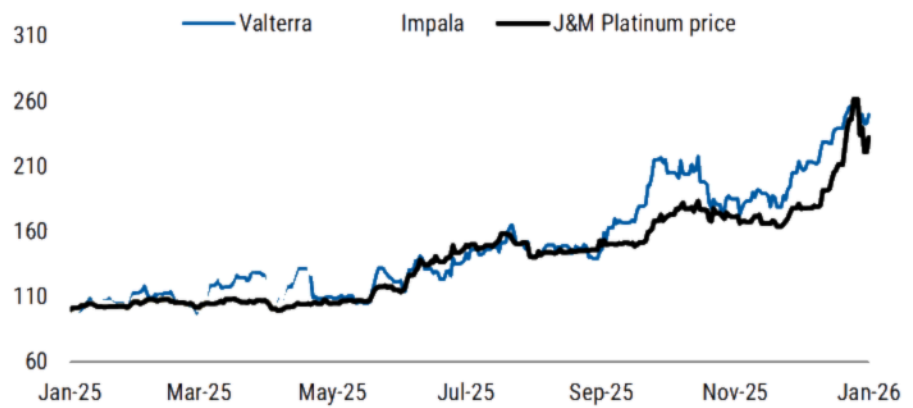

Source: Bloomberg, Morgan Stanley Research

**Exhibit155:** Diversifieds




Source: Bloomberg, Morgan Stanley Research

**Exhibit 156:** PGM




Source: Bloomberg

# Key Morgan Stanley Forecasts

## Exhibit 157: Base metals price forecasts

| Period | Aluminium | | | Copper | | | Nickel | | | Zinc | | | Lead | | | Tin | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear |
| | US$/lb | | | US$/lb | | | US$/lb | | | US$/lb | | | US$/lb | | | US$/lb | | |
| 2026e | 1.70 | 1.48 | 1.20 | 7.27 | 6.11 | 5.18 | 9.21 | 7.76 | 6.89 | 1.72 | 1.55 | 1.31 | 1.01 | 0.88 | 0.78 | 25.30 | 22.00 | 18.70 |
| 2027e | 1.55 | 1.29 | 1.03 | 7.31 | 5.85 | 4.80 | 9.78 | 7.82 | 6.26 | 1.71 | 1.42 | 1.21 | 1.03 | 0.92 | 0.83 | 21.64 | 18.03 | 14.42 |
| 2028e | 1.52 | 1.27 | 1.04 | 6.80 | 5.67 | 4.82 | 9.73 | 7.48 | 5.61 | 1.64 | 1.32 | 1.12 | 1.20 | 1.00 | 0.90 | 19.05 | 15.88 | 12.70 |
| 2029e | 1.70 | 1.36 | 1.16 | 7.08 | 5.44 | 4.90 | 10.02 | 7.71 | 5.40 | 1.64 | 1.32 | 1.18 | 1.22 | 1.01 | 0.91 | 16.33 | 13.61 | 10.89 |
| 2030e | 1.70 | 1.36 | 1.16 | 7.04 | 5.22 | 4.69 | 10.61 | 8.16 | 5.72 | 1.70 | 1.36 | 1.22 | 1.36 | 1.13 | 1.02 | 16.33 | 13.61 | 10.89 |
| 2031e | 1.70 | 1.36 | 1.16 | 7.04 | 5.22 | 4.69 | 10.61 | 8.16 | 5.72 | 1.63 | 1.36 | 1.16 | 1.36 | 1.13 | 1.02 | 16.33 | 13.61 | 10.89 |
| LT nom. | 1.50 | 1.30 | 1.17 | 6.57 | 5.05 | 4.30 | 11.11 | 8.54 | 5.98 | 1.68 | 1.46 | 1.17 | 1.29 | 1.17 | 0.94 | 16.26 | 13.55 | 10.84 |

Source: Morgan Stanley Commodities Research estimates (e)

## Exhibit 158: Precious metals price forecasts

| Period | Gold | | | Silver | | | Platinum | | | Palladium | | | Rhodium | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear |
| | US$/oz | | | US$/oz | | | US$/oz | | | US$/oz | | | US$/oz | | |
| 2026e | 5,332 | 4,509 | 3,850 | 97.13 | 71.73 | 51.41 | 2,072 | 1,819 | 1,566 | 1,533 | 1,349 | 1,166 | 9,380 | 8,267 | 7,153 |
| 2027e | 6,219 | 4,975 | 3,980 | 99.50 | 71.07 | 56.86 | 2,022 | 1,685 | 1,348 | 1,633 | 1,256 | 879 | 12,434 | 6,908 | 4,836 |
| 2028e | 5,850 | 4,500 | 3,825 | 90.00 | 64.29 | 51.43 | 2,470 | 1,900 | 1,710 | 1,575 | 1,312 | 919 | 21,598 | 7,199 | 5,039 |
| 2029e | 5,200 | 4,000 | 3,400 | 80.00 | 57.14 | 45.71 | 2,723 | 2,095 | 1,885 | 1,614 | 1,345 | 942 | 24,226 | 8,075 | 5,653 |
| 2030e | 5,400 | 4,000 | 3,400 | 77.14 | 57.14 | 48.57 | 2,792 | 2,148 | 1,933 | 1,655 | 1,379 | 966 | 24,837 | 8,279 | 5,795 |
| 2031e | 5,400 | 4,000 | 3,400 | 77.14 | 57.14 | 48.57 | 2,863 | 2,202 | 1,982 | 1,697 | 1,414 | 1,131 | 25,464 | 8,488 | 5,942 |
| LT nom. | 4,738 | 2,871 | 2,441 | 68.19 | 35.89 | 30.51 | 3,231 | 2,228 | 1,894 | 1,723 | 1,436 | 1,149 | 25,842 | 8,614 | 6,030 |

Source: Morgan Stanley Commodities Research estimates (e)

## Exhibit 159: Bulks price forecasts

| Period | Iron Ore (spot) | | | Hard Coking Coal (spot) | | | Thermal Coal | | | Manganese ore (44%) | | | Lithium (fob Lat Am) | | | Uranium (spot) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear | Bull | Base | Bear |
| | US$/t | | | US$/t | | | US$/t | | | US$/lb | | | US$/lb | | | US$/lb | | |
| 2026e | 120 | 99 | 88 | 296 | 235 | 199 | 173 | 136 | 104 | 6.5 | 5.3 | 4.7 | 23,632 | 19,742 | 15,073 | 107 | 90 | 69 |
| 2027e | 125 | 93 | 74 | 307 | 228 | 182 | 171 | 131 | 105 | 6.6 | 5.5 | 4.4 | 27,930 | 17,456 | 11,347 | 135 | 96 | 67 |
| 2028e | 127 | 94 | 71 | 289 | 214 | 160 | 161 | 124 | 99 | 6.7 | 5.6 | 4.5 | 30,400 | 15,200 | 9,880 | 128 | 85 | 64 |
| 2029e | 135 | 100 | 75 | 290 | 215 | 161 | 169 | 130 | 98 | 6.9 | 5.7 | 4.6 | 28,000 | 14,000 | 9,800 | 105 | 70 | 56 |
| 2030e | 135 | 100 | 75 | 290 | 215 | 161 | 176 | 135 | 101 | 7.0 | 5.8 | 4.7 | 28,000 | 14,000 | 9,800 | 105 | 70 | 56 |
| 2031e | 135 | 100 | 75 | 290 | 215 | 161 | 176 | 135 | 101 | 7.0 | 5.8 | 4.7 | 32,000 | 16,000 | 11,200 | 105 | 70 | 56 |
| LT nom. | 150 | 103 | 78 | 296 | 219 | 165 | 179 | 138 | 103 | 6.6 | 5.5 | 4.4 | 33,996 | 16,998 | 10,199 | 105 | 70 | 56 |

Source: Morgan Stanley Commodities Research estimates (e)

*This report references jurisdiction(s) or person(s) which may be the subject of economic sanctions. Readers are solely responsible for ensuring that their investment activities are carried out in compliance with applicable laws.*

*Morgan Stanley & Co. International plc ("Morgan Stanley") is acting as financial advisor to Anglo American PLC ("Anglo American") in relation to the sale of its Steelmaking Coal Portfolio business to Dhilmar Limited as announced on 18 May 2026. Anglo American has agreed to pay fees to Morgan Stanley for its financial services. Please refer to the notes at the end of the report.*

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