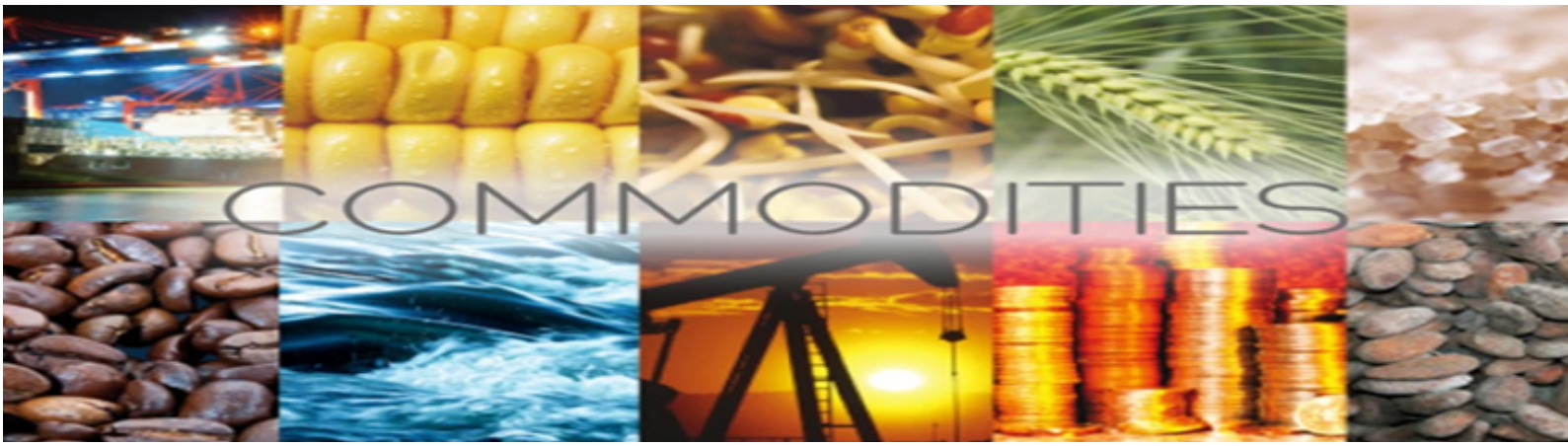
ITALIAN TRADE AGENCY

ITA Beijing Office

# NEWSLETTER

## COMMODITIES
## 2 - 8 November 2026




**China's Corn Market Faces Seasonal Supply Pressure, with Policy Support Limiting Downside**
China's 2026/27 corn output is forecast to rise 1.6% to 306 million tonnes, while high inventories and weak feed and processing demand weigh on prices. Imports of substitute grains reached 29.91 million tonnes by September. Sinograin's purchases and production costs are providing support, limiting further declines despite ample supply. **(Dayou Futures)**

**China's Caustic Soda Futures Hit Record Low Amid Rising Inventories**
China's January 2027 caustic soda futures contract fell 3.4% to 1,448 yuan per tonne (about $199.72), halving from its peak. Capacity expansions and plant restarts are increasing supply, while weak demand from alumina and other industries limits absorption. Around 500,000 tonnes of new capacity are expected in the fourth quarter, adding to inventory pressure. **(Futures Daily)**

**China's PVC Market Balances Cost Support Against Weak Demand**
China's PVC market is expected to remain range-bound as higher oil, ethylene and coal costs constrain price declines, while weak downstream demand limits recovery. October operating rates fell to around 61.86%, and producer and social inventories declined 9% and 5%, respectively. However, subdued construction-related demand and potential plant restarts continue to cap prices. **(Baicheng Futures)**

**China's Strategic Mineral Reserves Expand, Potentially Easing Import Dependence**
China's reassessment of 17 strategic minerals found significant reserve increases in 13, including rhenium, whose resources more than tripled. Newly identified resources are equivalent to 50 large gold deposits and 30 large nickel deposits. A major zirconium discovery in Xinjiang could strengthen domestic supply and reduce reliance on imports. (**Xinhua)**

**China's Lithium Carbonate Market Faces Continued Supply Pressure**
China's lithium carbonate futures fell below 90,000 yuan per tonne (about $12,414) in late October. Weekly output rebounded to 27,821 tonnes, while total inventories reached 128,385 tonnes, with upstream stocks rising. September spodumene imports increased 7% month on month to 970,100 tonnes, reinforcing expectations of ample supply and continued price pressure. **(Futures Daily)**