

The Green Room

January 2026



Industry News

Lithium is moving again

1. The burgeoning demand from BESS is reshaping the lithium market

The first and most structural driver of lithium’s recovery is on the demand side of the equation: the rapid acceleration of battery energy storage systems (BESS). BESS is now becoming a structurally important end-market - one that is less cyclical than its counterpart and far less sensitive to short-term price volatility. The rhetoric from the major investment banks towards lithium has turned increasingly positive through the back half of last year.

2. The race to the bottom is ending as China pushes back against destructive competition

The next phase of lithium’s recovery is likely to be driven by changes on the supply side. During the recent downturn, particularly in China, many higher-cost producers continued operating despite falling prices, creating a damaging oversupply and delaying a natural market reset. This “race to the bottom” pushed prices well below sustainable levels.

Encouragingly, this dynamic now appears to be shifting. Broker research suggests that unprofitable supply is beginning to be curtailed - not just by market forces, but through more deliberate policy and industry action - setting the foundations for a healthier and more disciplined lithium market.

3. Belief the bottom is in — and the next cycle has begun

Macquarie’s work suggests sentiment towards lithium is now firmly in a more positive phase. It notes that both lithium prices and ASX lithium stocks have begun to firm ahead of visible deficits, reflecting a market that is anticipating tighter conditions rather than reacting to them. Macquarie highlights falling inventories, strengthening Chinese prices, and broad share-price appreciation across lithium names as evidence that sentiment has turned and investors are repositioning for the next phase of the cycle.

UBS reinforces the behavioural angle, noting falling inventories and emerging restocking, while reporting that contacts increasingly see the market transitioning away from surplus conditions.

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Lithium is moving again

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FUND MANAGERS

Northstar Impact Australian Equities Fund

The standout performer for the month and year has been **4D Medical**. The company has developed proprietary software, with patented algorithms, that enables new levels of analysis of lung imaging for earlier detection and better management of respiratory diseases, such as asthma, COPD, cystic fibrosis, and cancer. The share price rose from 47c at the start of the year to \$3.93 at year end.

Copper had a strong month, with exposure via **Aeris Resources**, as did some of the cyclical with structural longer-term drivers. Selective strength emerged in energy and critical minerals, supported by structural themes linked to electrification, decarbonisation and energy security.

Vysarn, providing a key exposure to water, performed well, reaching all-time highs during December. Vysarn's track record of execution and ability to grow both organically and via acquisition has led to increasing interest in the company. CEO, James Clement, has a clear strategic vision to capitalise on the water demand in the Pilbara and East coast Australia as water becomes increasingly important for resource extraction and data centres.

Pengana WHEB Sustainable Impact Fund

Despite a mixed macroeconomic backdrop and an uncertain year-end trading environment, several holdings demonstrated resilience and contributed positively to Fund performance.

- **Keyence** benefited from continued confidence in structural automation demand. The company's exposure to factory efficiency, precision sensing and productivity-enhancing technologies continues to resonate with investors navigating labour shortages and cost pressures.
- **Smurfit Westrock** saw improving sentiment as conditions in the containerboard market showed signs of stabilisation, supporting its role in more circular, fibre-based packaging solutions.
- **Infineon** continued to attract investor interest due to its strong positioning in power semiconductors, with growing exposure to electrification, energy efficiency and AI-linked end markets reinforcing its long-term sustainability tailwinds.

Virescent Ventures

Virescent-backed [Amber Electric](#) is an example of a company solving a homegrown problem that's now going global.

Amber's behind-the-meter grid solution was developed for the Australian market's high solar and battery uptake. Its cutting-edge platform seamlessly charges batteries when solar is abundant, or power prices are low, and exports energy when the grid is constrained, supporting both individual household budgets and overall grid stability.

Global ambitions for homegrown innovation

Offshore markets play an important role for Virescent and the companies it invests in. “Companies raise capital offshore for a couple of reasons: to access deeper capital markets and to help them expand into those markets

Virescent has invested in multiple companies that have developed international exposure. These include:

[Kwetta](#) builds EV charging infrastructure which addresses grid constraints, resulting in faster and cheaper deployment for light vehicles, buses and trucks. Founded in NZ, it is now being deployed in Australia and has recently entered the European market.

[Relectrify](#) has created a transformer-less battery technology that extends battery life and improves performance through cell-level control. It is currently preparing for market entry in Europe and the U.S and has attracted an international investor syndicate.

[MicroTau](#) has developed sharkskin-inspired 'riblet' 3D printing that is applied to aircraft and marine vessels to reduce drag and as a result, reduce fuel costs and carbon emissions. It is now working with organisations including the [U.S. Defence Force](#) and international commercial airlines.

[CEFC](#)

COMPANY NEWS

CSL Ltd

CSL is to invest approximately \$1.5b in the U.S. over the next five years to Manufacture plasma derived therapies

These investments will generate hundreds of high-quality American jobs, strengthen U.S. manufacturing capabilities of plasma-derived therapies (PDTs), and help secure the U.S. medicine supply chain. This reflects CSL’s commitment to meet the growing clinical need for immunoglobulin (Ig) over the long term. These planned investments are subject to approval by CSL’s Board of Directors.

The long-term Durability and Safety of HEMGENIX

CSL announced five-year results from the pivotal Phase 3 HOPE-B study, confirming the long-term durability and safety of a one-time infusion of HEMGENIX® in adults living with hemophilia B. The data reaffirm HEMGENIX's consistent performance over time to deliver durable factor IX activity levels, sustained bleed protection compared to prophylaxis treatment, and continued freedom from routine prophylaxis. HEMGENIX remains the only commercially available gene therapy for adults with hemophilia B.

[CSL Newsroom](#)

Climate Change and Sustainability policy

Australian Energy Minister Chris Bowen said its Cheaper Home Batteries scheme would be extended through 2029, with the cumulative budget rising from A\$2.3 billion to A\$7.2 billion. From May, the scheme will also become tiered, with the level of support dropping for capacity over 14kWh, meaning support will be more targeted at smaller systems.

Stationary battery storage is faring well, as new demand from data centre developments increases electricity shortages. Korea's Samsung SDI said it had signed a KRW2 trillion (\$1.36 billion) agreement to sell batteries to a US energy infrastructure company. Concurrently, despite a major EV restructuring detailed below, Ford Motor said it would commence production of stationary batteries, using technology licensed from Nanuk Fund-holding Contemporary Amperex Technologies (CATL), originally intended for use in EV batteries.

Australia

Investor pressure drives action on deforestation at ANZ and NAB

At ANZ's AGM, a shareholder resolution lodged in partnership with the Australian Conservation Foundation (ACF) received 22.7% support, representing \$13.5 billion worth of shares voted in favour. This is the largest vote ever recorded globally for a deforestation-related shareholder resolution, well above the global average of around 11%.

Strong momentum was also evident at NAB's AGM, where a similar resolution co-filed with ACF, Australian Ethical and Melior Investment Management attracted 13.9% support, calling on the bank to disclose and manage its exposure to deforestation-linked activities.

Encouragingly, investor engagement is already driving tangible change. NAB has begun proactively monitoring for potential illegal land clearing on sites it finances, while ANZ has committed to improving its deforestation monitoring frameworks from next year. The resolutions also placed boards under heightened scrutiny, prompting public reflection from bank Chairs on how deforestation risks are governed and managed.

[SIX](#)