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Tungsten Market Update FY26: Melting Point?

CRU, 26th October 2026



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Tungsten Market Intelligence
Analysis of global supply-demand dynamics and modelling, trade flows, capacities, cost curve analysis, geopolitical & legislative impacts to support data driven decision making.

Market Scoping & Go to Market
Actionable strategies for new market penetration. Value chain analysis, optimization and comparative benchmarking. Offtake and Partnership strategy. Risk mitigation & Supply chain resilience. Commercial negotiation.

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Conducting independent technical and commercial due diligence on specific assets or entities to support mergers, acquisitions or investment strategies.

Business & Product Development
Identifying emerging applications, value added opportunities, arbitrage opportunities; bridging the gap between technical capabilities and commercial outcomes.

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"William Parry-Jones is a respected authority on the Global Tungsten Market, as well as Critical Minerals Strategy & Marketing."

- *Circa 15 Years in Tungsten focused commercial roles across value chain.*
- *Previously Global Sales & Marketing and Strategic Procurement director for Masan High Tech leading ex. China Tungsten producer, lived 6-years in Hanoi, Vietnam.*
- *Conducted strategic reviews and DD on many of the global tungsten upstream and midstream assets globally, as part of internal deal teams.*
- *MSc in Materials Science & Engineering from Imperial College, London. Member of Institute of IOM3.*

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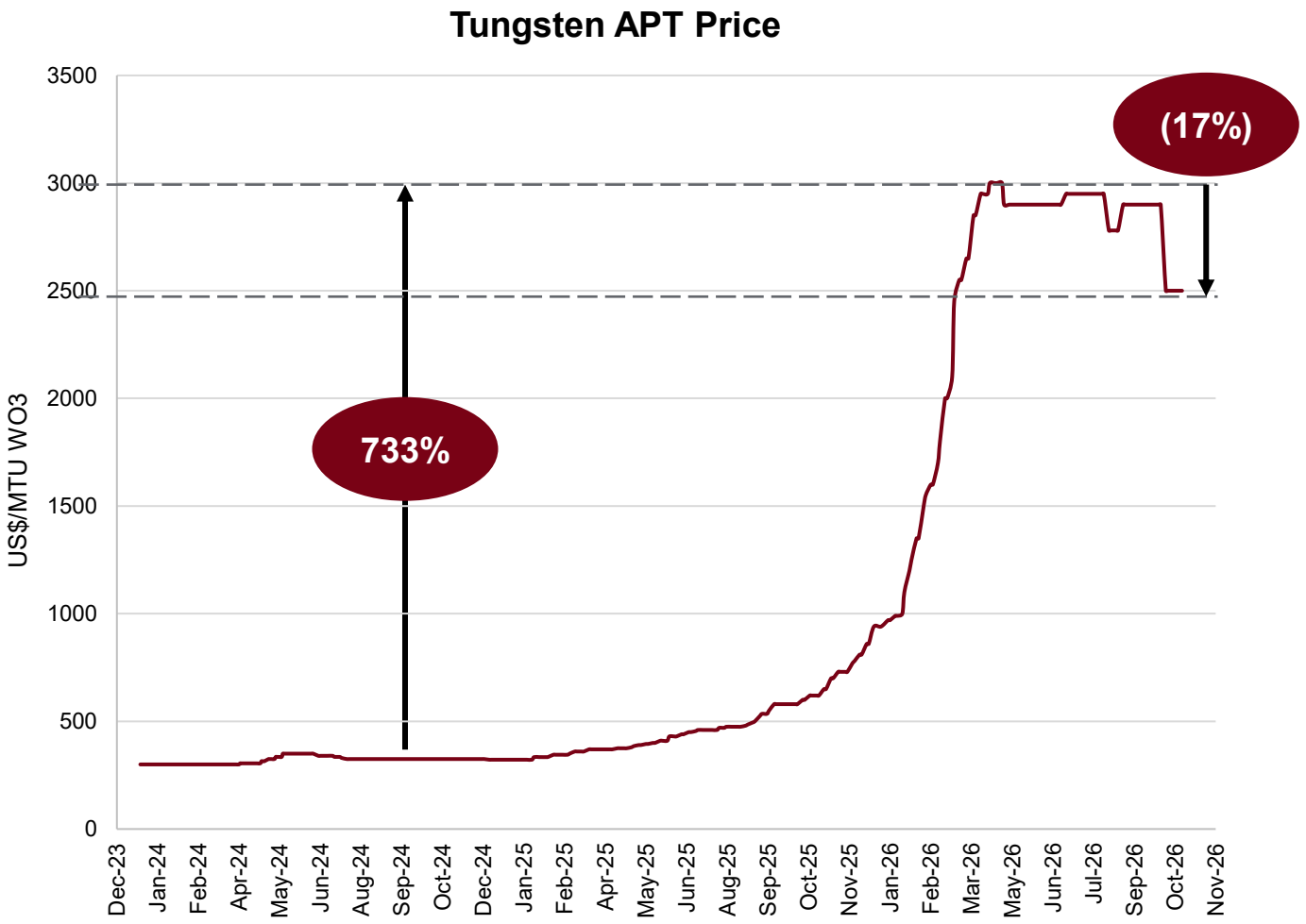
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Where given Tungsten volumes will be quoted in units of WO3, to convert to units of W multiply by 0.7929

Tungsten Price: Is the Party Over?



The Catalyst

China produces ~ 80% of the Worlds primary Tungsten. On February 4th 2025 China MOFCOM implemented export controls on Tungsten raw materials.

The Thematic

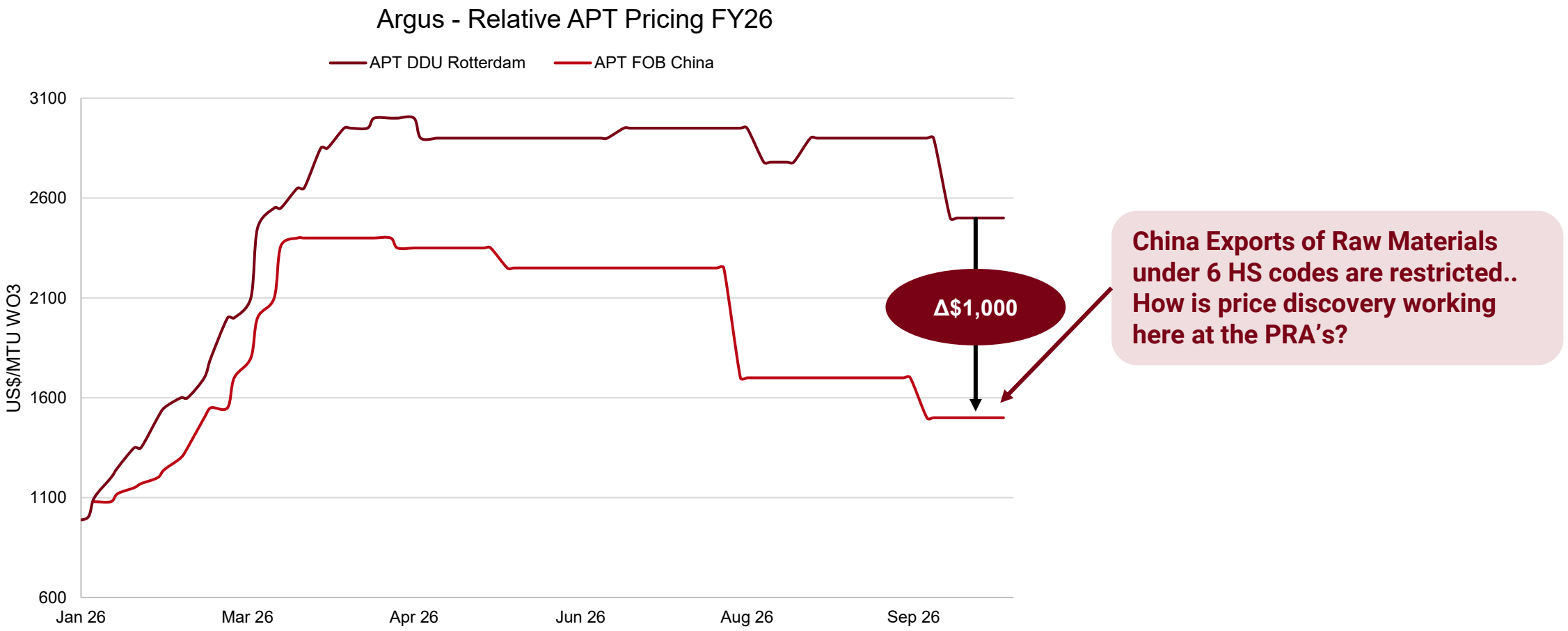
Ex. China mining sector has been unloved for a decade, there are few opportunities to balance the books. Some interesting areas of demand potential.

The Move

Prior 10-year price average US$279/MTU WO3 increased to ~$3,000/MTU WO3 in 12-months.

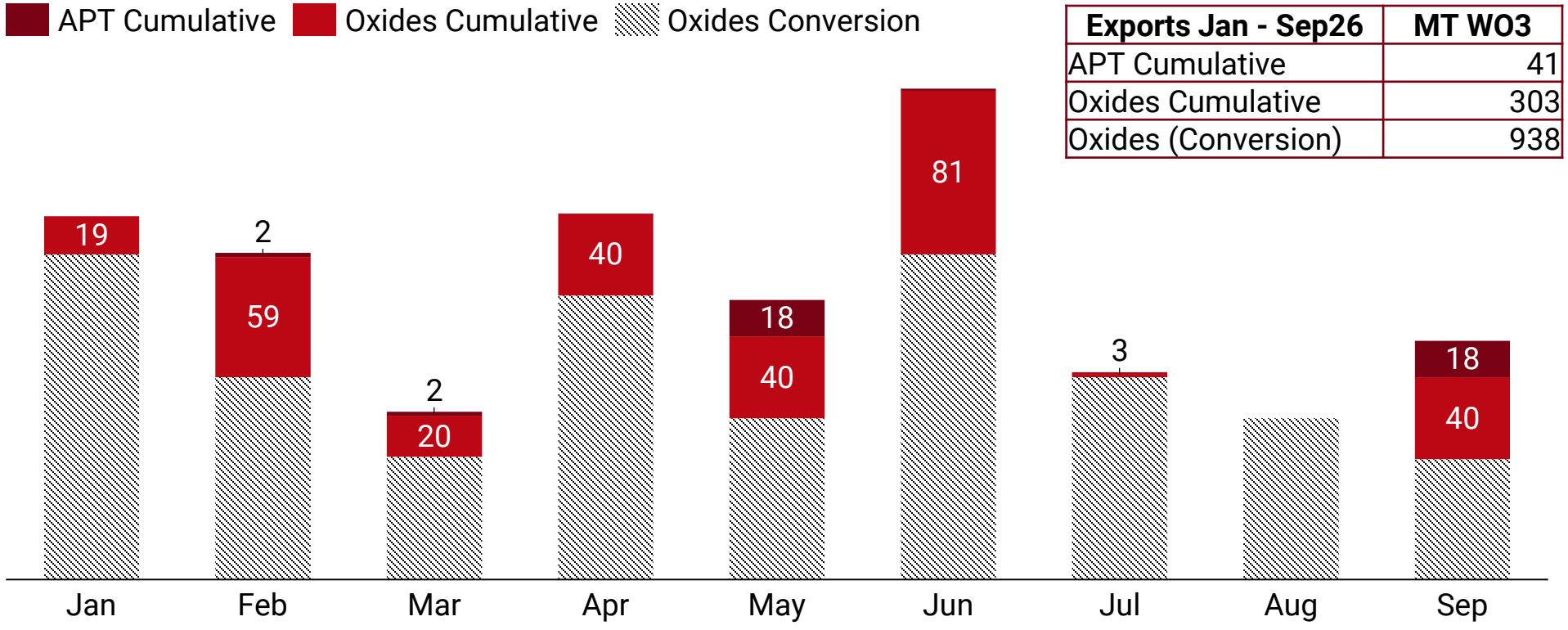
Price Divergence China - ROW

Spread between APT FOB China and DDU Rotterdam widens and starts to raise the prospect of a ‘two tier’ market.



China APT & Oxide Exports

Pricing methodology incorporates trades APT and Oxides – supposed to discount other tungstates (AMT, ST etc.). PRA's are only supposed to assess outright sales and not conversion..

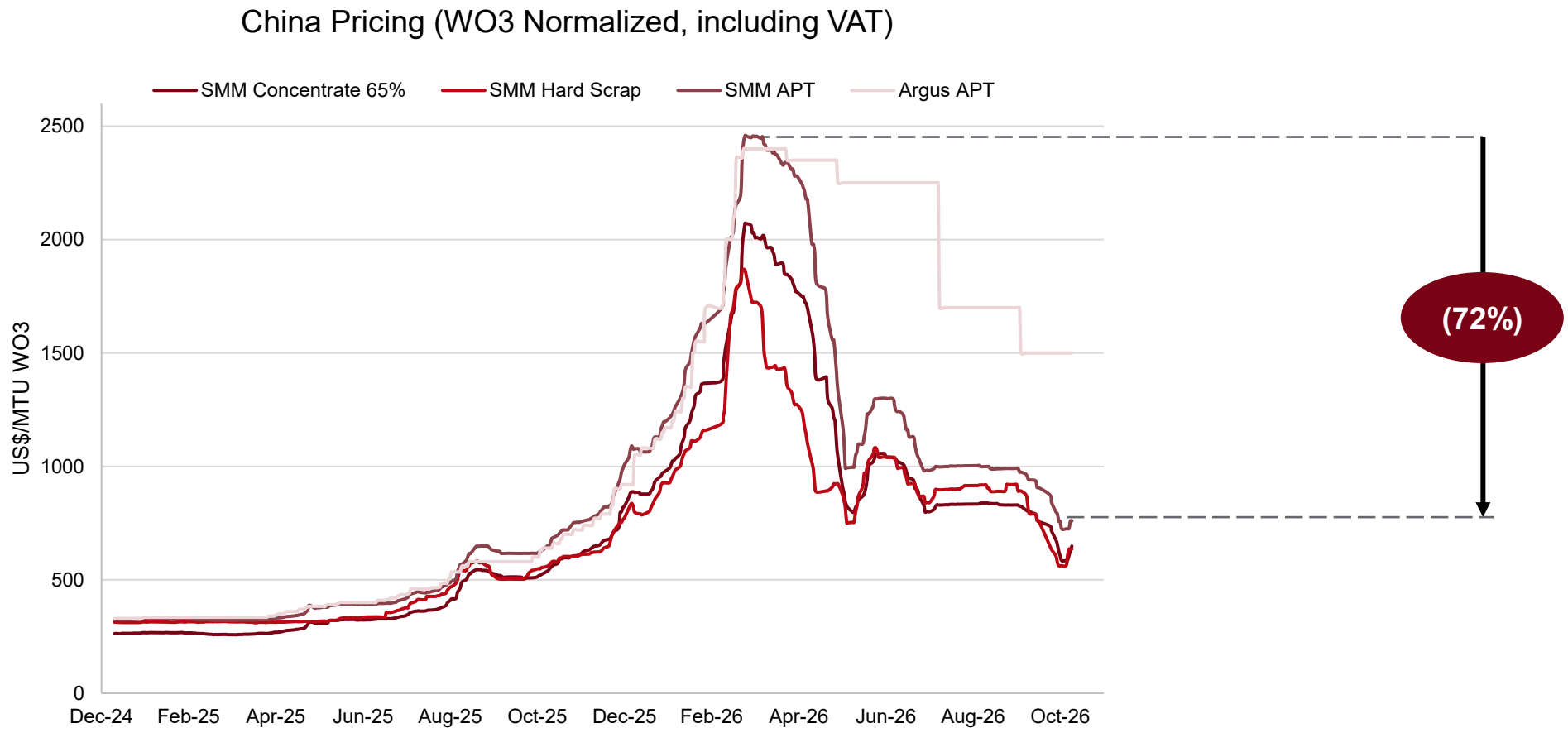


Exports Jan - Sep26	MT WO3
APT Cumulative	41
Oxides Cumulative	303
Oxides (Conversion)	938

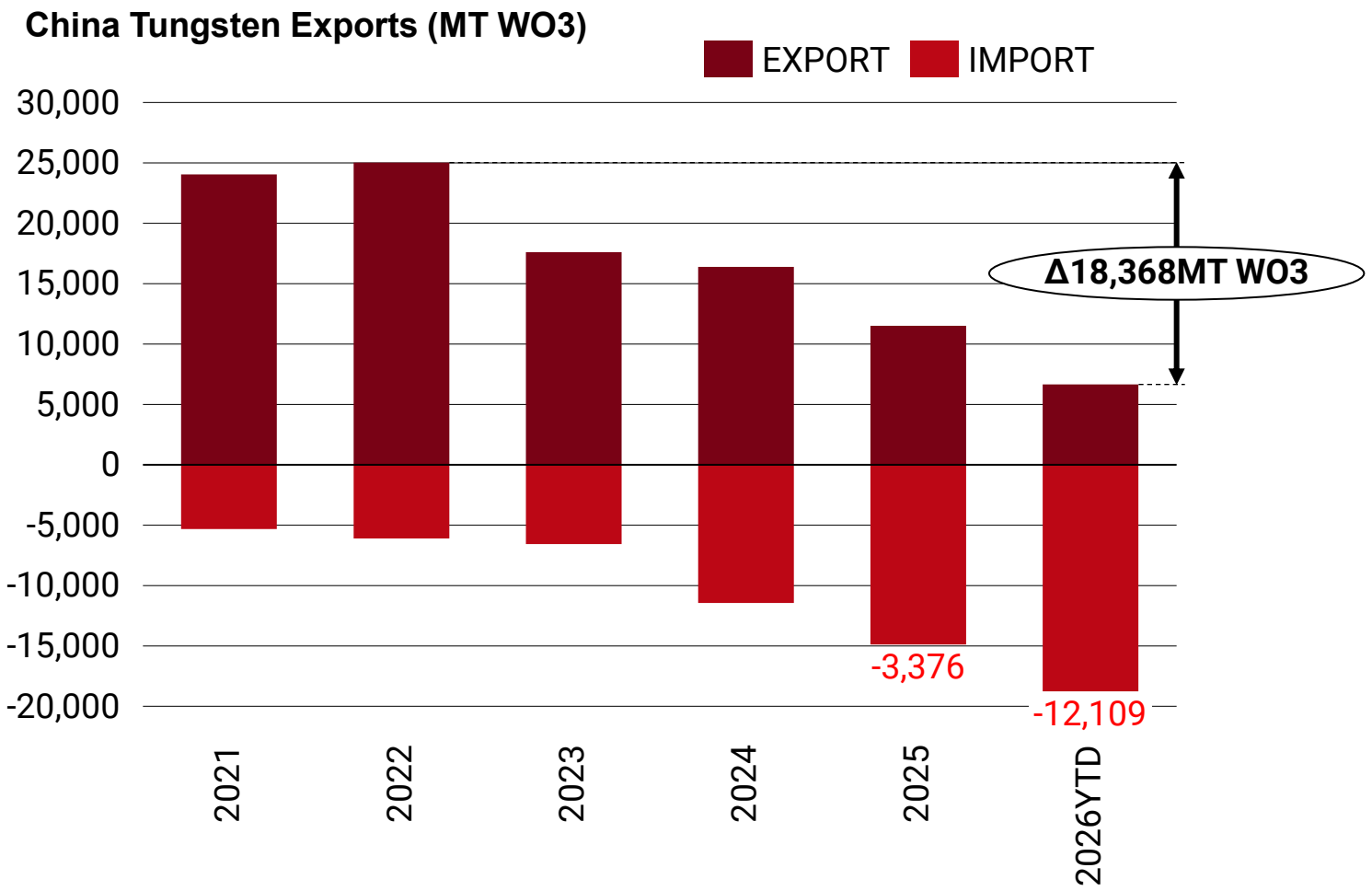
General Administration of Customs of the People's Republic of China (GACC)

Real Price Divergence China - ROW

‘True’ picture by taking ‘domestic’ China pricing and adjusting for VAT rebates is nothing less than a total collapse in Chinese tungsten pricing…



China IMPEX deficit continues to deepen



01 Deep ROW Deficit

If China continues to restrict exports then why are ROW prices falling at all?

02 FP Exports

China finished product exports are not restricted and are deeply undercutting ROW suppliers.

03 Refining Bottleneck

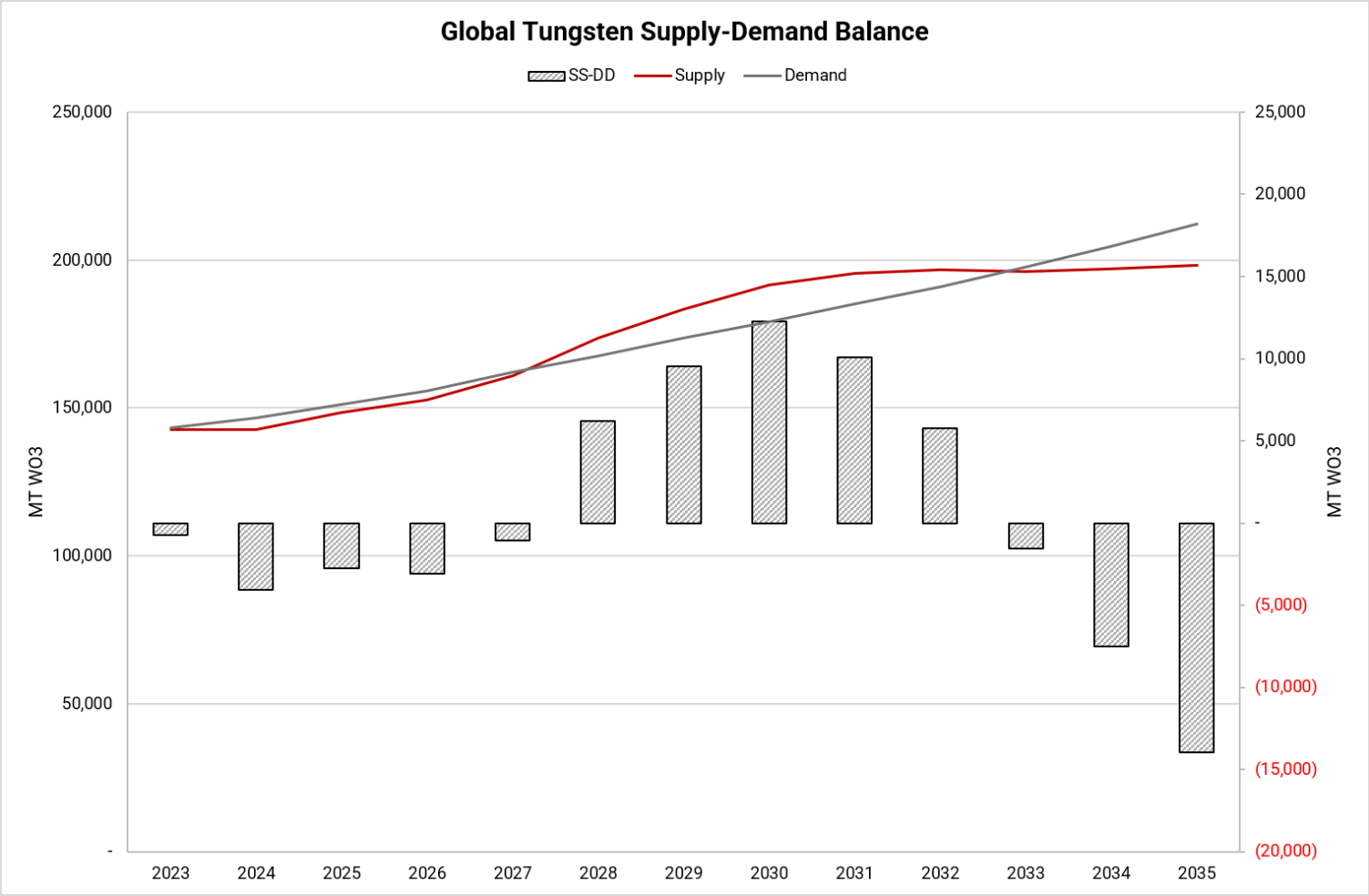
ROW cannot meet the WO3 deficit from current installed refining capacity.

04 Demand Attrition

Tungsten substitution already underway.

General Administration of Customs of the People's Republic of China (GACC)

Global S&D Outlook



01 **Sustained Deficit**

Cumulative deficit through 2027 on reduced primary output in China.

02 **Surplus 28-32**

Market moves into surplus based on commissioning and developing projects.

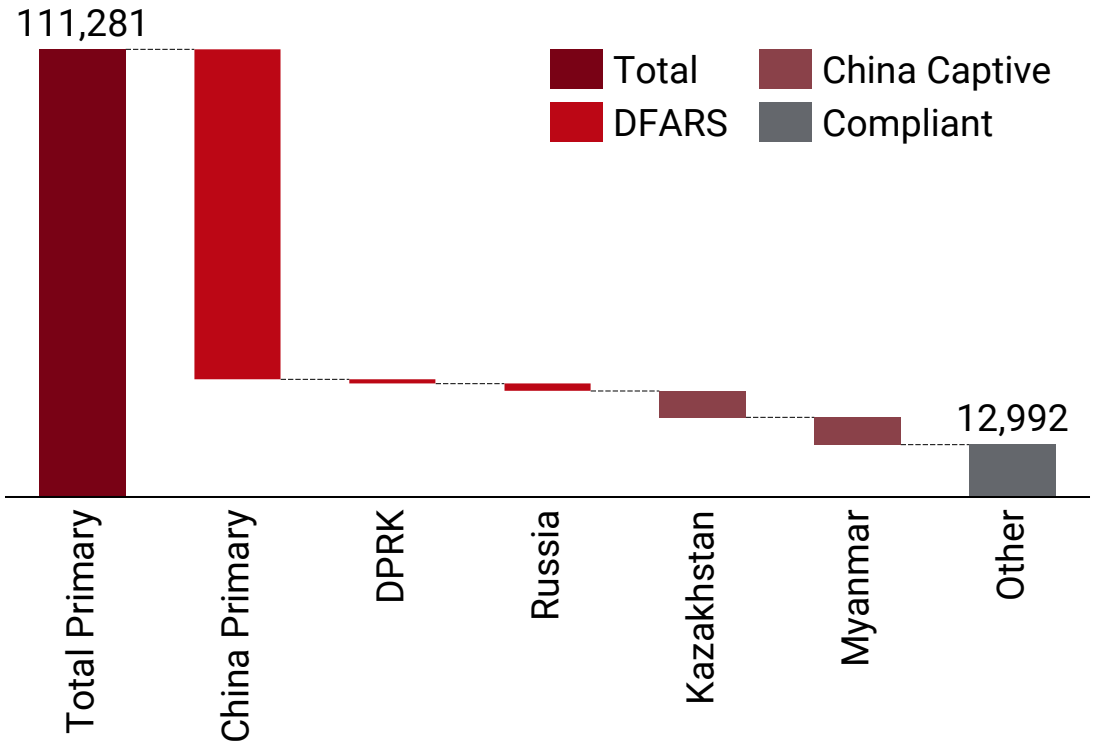
03 **Significant Deficit post 2032**

Demand growth catches up to supply and grade depletion accelerates.

Who can supply a DFARS compliant MTU WO3?

U.S. Direct Defense Demand
1,300 – 3,000MT WO3/Annum

Primary Tungsten Production (MT WO3)



01 What's covered

Tungsten metal powder (WMP), Tungsten heavy alloy (THA) and parts containing it: mined, refined, melted or produced in CN, RU, DPRK, IR.

02 What's outside

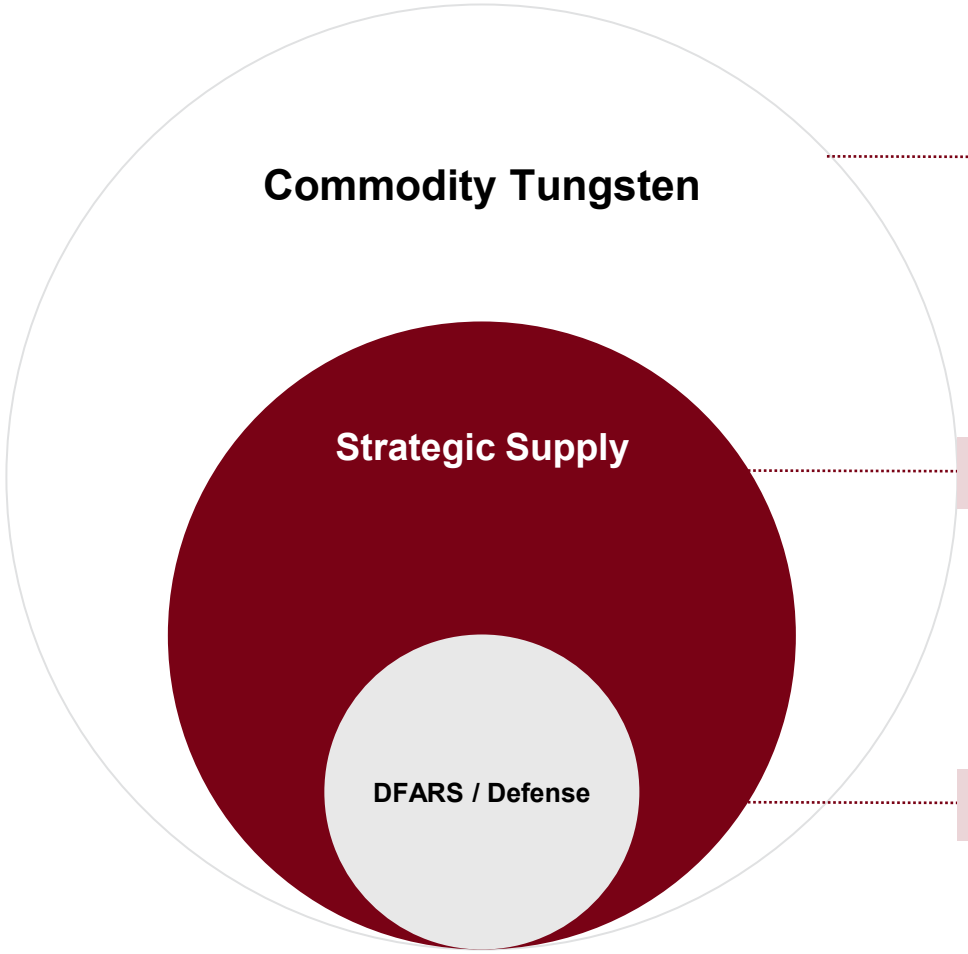
Tungsten Carbide is not named; COTS items under 50% restricted material are exempt.

03 Escape valves

Nonavailability determinations, and a pending bill (House FY27 NDAA §1801) that could phase rules to 2031.

(IDA, 2008) extrapolated against defence spending , Wolfram Advisory Internal Dataset

Emergence of a multi tier market?



~16% of Supply by 2035

~20% of Demand by 2035

General Industry

Business as usual, prices converge or come close to China and global S&D.

Strategic Industry

Cost of production subsidized or underwritten by government support. Will end customers accept premia?

Defense Primes

Customers forced to pay a premium to ensure traceability and access to a limited pool of compliant material.

US Supply Chain Build

Washington continues to focus on building out a domestic supply chain for Tungsten by deploying capital, or making commitments to deploy under three pillars;

01 Protect

- BIS allocation order keeps tungsten scrap in the US from 27 Aug 2026.
- DoW Award of $450mio to ELMET Technologies with a trickle-down investment of $125mio to secure up to 1,250MT WO3 Masan current output.

02 Procure

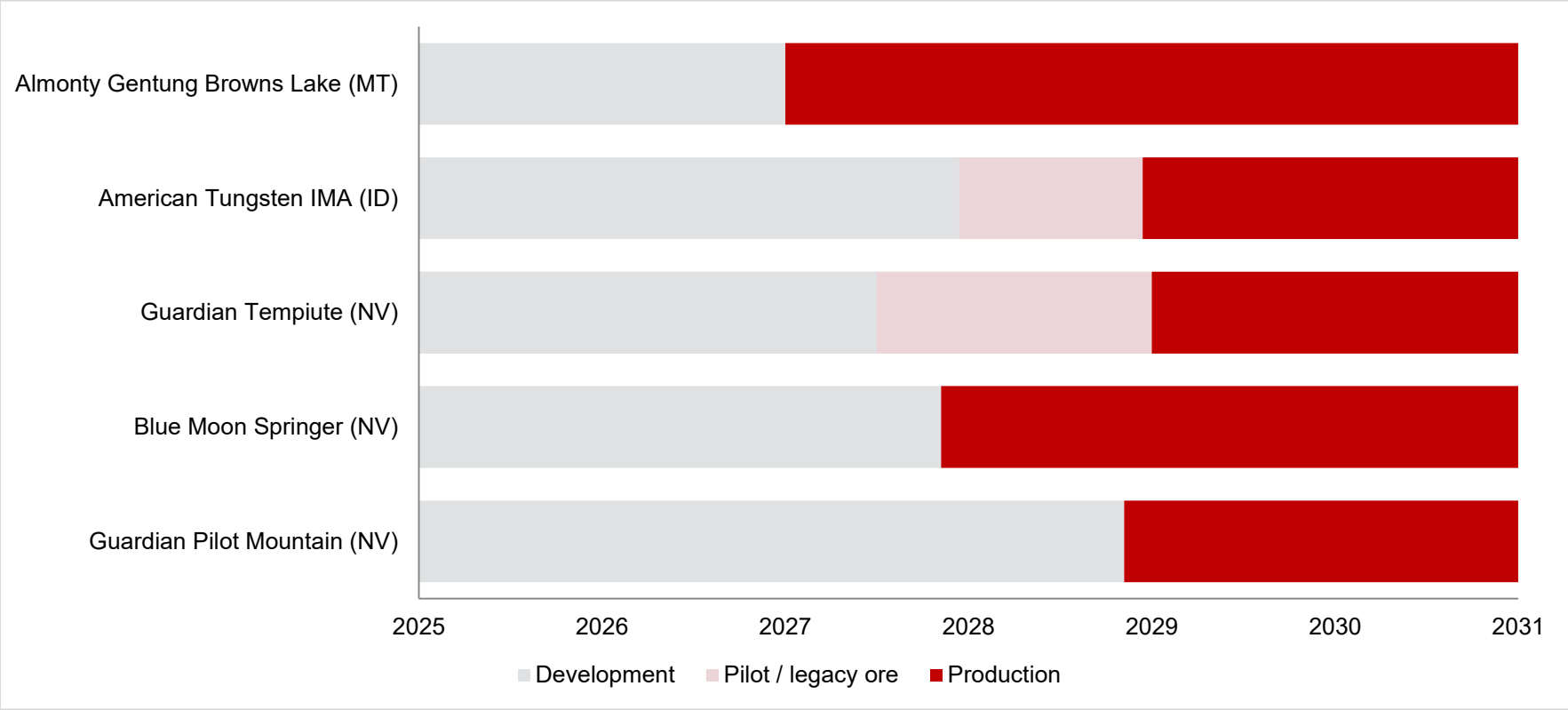
- One Big Beautiful Bill Act (July 2025) added US$2bio to the National Defense Stockpile transaction fund.
- IDIQ contract for tungsten ores, concentrates, and sodium tungstate to ELMET. 5-Year ~ $150mio.

03 Secure

- DPA Title III, DoW awards and DLA purchasing across mine, conversion and alloy ~$660mio.
- $1.25bio indicated under LOIs from EXIM supporting other prospective producers.

Supply Chain Build Cont.

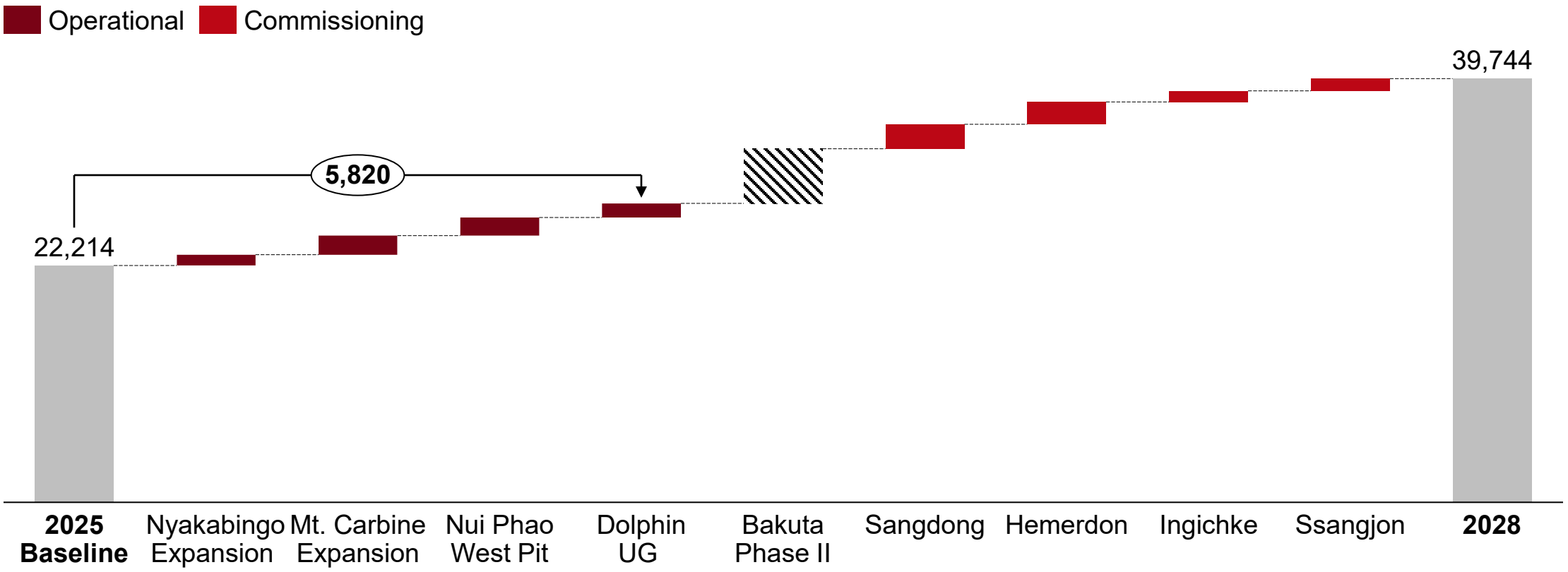
New U.S. domestic mine supply arrives after the 2027 DFARS deadline leaving U.S. reliant on Allied Nations and scrap..



Sources: company announcements (Almonty, American Tungsten, Guardian Metal PFS 30 Jun 2026 and 8 Jul 2026 pilot release, Blue Moon/Elmet/EQR 11 Sep 2026 agreement, Elmet Oct 2026 presentation). Decimal years are approximations of quarter/half-year guidance.

1-3 Year Pipeline – Operational & Commissioning

Half of the near-term production uplift forecast to come from existing mine expansions or extensions.



Start Date / Commissioning derived from Corporate Announcements

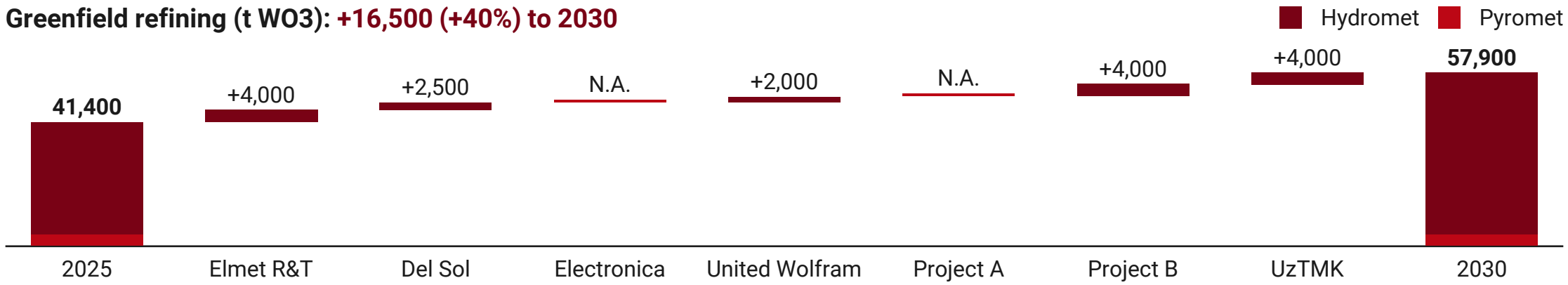
Production derived from NI-43-101 / JORC or where not available Corporate Announcements

Announced Refining Capacity Expansions

Recycling and scrap expansions

Project	Site	Expansion	Timing	Added t*
H.C. Starck (Mitsubishi)	Goslar, DE	Scrap processing +~50% to ~7,000 t/yr	Within 2028	~2,000
JNM (Mitsubishi Materials)	Akita, JP	APT doubles to ~2,400 t; replaces imports	Apr 2029	1,200
Lianyou Metals	Pingtung, TW	New APT/oxide (Pingnan 3) and powder plants	Q4 2027	~2,000
Tungco Project 74	Kentucky, US	Scrap to sodium tungstate; seeking subsidies	Not set	~3,000
Melt Tech. (Amermin)	Texas, US	US$11.5m DOE grant; WC output +300%	Under way	N.A.
Total recycling additions				~8,200

Greenfield refining (t WO3): +16,500 (+40%) to 2030



US Tungsten Scrap is Locked Up until 2027

Impact

Legal basis	DPA §101 allocation order (DPAS, 15 CFR 700), after a 30 Jul 2026 Presidential Determination
Dates	Published 6 Aug; in force 27 Aug 2026 to 27 Aug 2027
Requirement	100% of monthly sales to US persons; material stays in the US. Includes sales to foreign affiliates
Relief	Case-by-case BIS exception, ~14-day target; toll processing abroad allowed if the metal returns to the US
Enforcement	CBP can detain shipments; exports file DPAS licence code C30

Codes in and out (Schedule B)

Code	Material	Status
8101.97	Tungsten waste & scrap	Covered
8113.00	Cermets incl. waste & scrap (sintered carbides)	Not named
8549.13/14/19	Battery black mass	Covered
2620.99	Slags, ash, residues with W	Not named
8101.10 / .94	W powder, unwrought W	Not named
2841.80	Tungstates, incl. APT	Not named

4 Nov 2026
Comments close; BIS asks if more sales rules are needed

"Whitelist"
Not in the rule; a general BIS exception could approve allied buyers

Scope creep
BIS can add materials by Federal Register notice

27 Aug 2027
Order lapses unless extended or replaced

Tungsten Hedging

CME Group: COMEX tungsten futures

Status	Announced 19 Oct 2026; launch targeted early Q1 2027, subject to regulatory review
Benchmark	Fastmarkets APT 88.5% WO3, CIF Rotterdam & Baltimore
Contract	Cash-settled; 88.5 mtu (~1 t APT); US$/mtu; current year + two calendar years
Market	CME sizes tungsten at 85–95 kt a year, >US$20bn at spot

Kalshi: first commercial tungsten hedge

Status	Executed 22 Oct 2026; live now on a CFTC-regulated event exchange
Benchmark	SMM APT, CIF Rotterdam
Contract	Event contract settling 17 Dec 2026; size not disclosed
Parties	Pillar hedged for an Ohio metals distributor; Susquehanna Predictions priced it and made the market

Hedges the ex-China tier

Both settle on Rotterdam APT, not the Chinese domestic price

APT only: basis stays open

Concentrate, conversion and DFARS premiums are unhedged; two venues, two indices

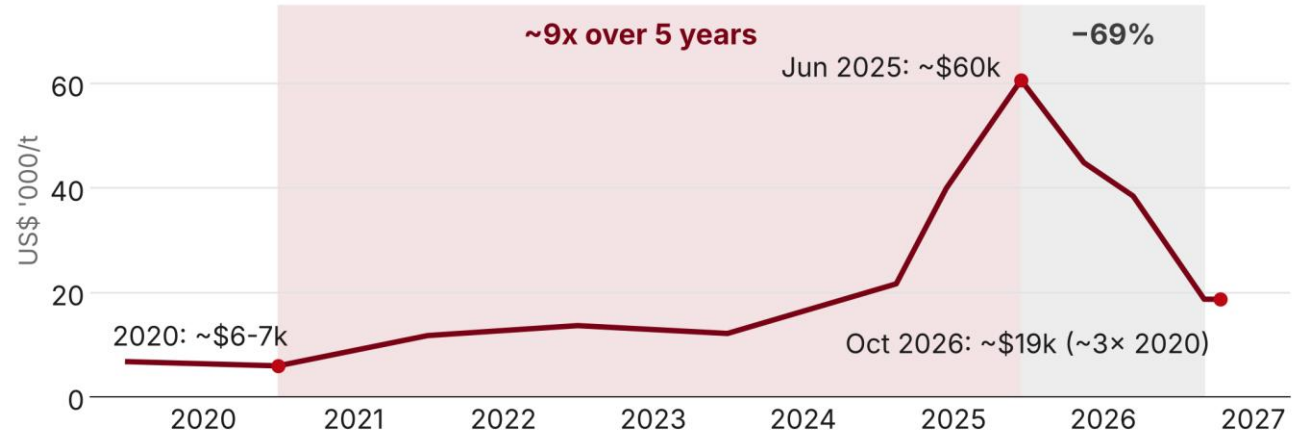
Liquidity is the test

CME cobalt took years to build open interest of ~16,000 lots

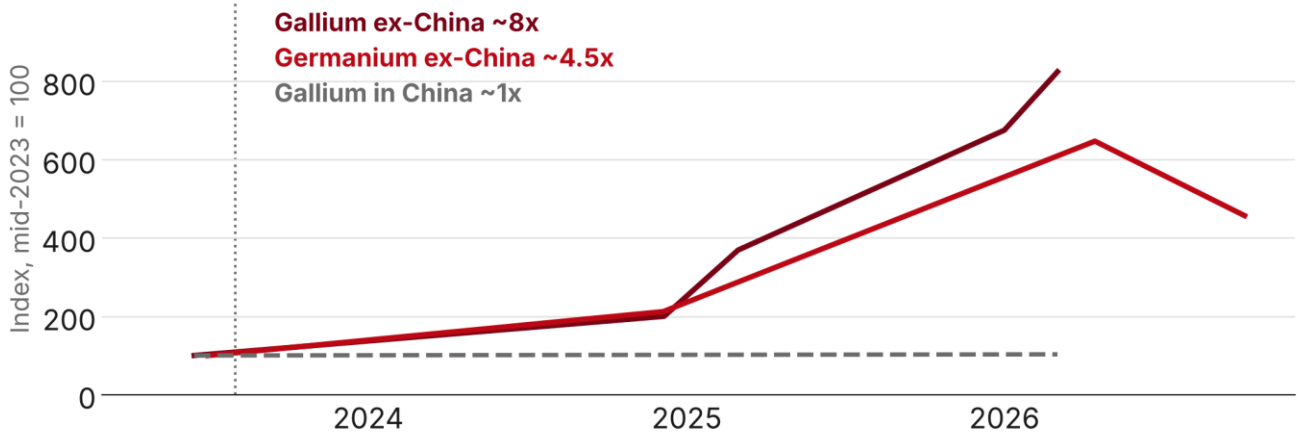
Sources: CME Group (19 Oct 2026); Pillar / Kalshi / Susquehanna release (22 Oct 2026); Discovery Alert. CME contract size and months per press reports; final terms pending.

Calling the Peak? What has really changed?

Antimony: ~9x on controls, then a ~3x new normal



Gallium & germanium: ex-China premium held three years on



Global S&D still in deficit

Government \backed ROW projects should have an implicit floor (or possibly explicit). Still two years from positive S&D.

Geopolitical and conflict risk rising

Iran, Ukraine, Israel-Palestine, and increasing social instability across developed nations.

Defence procurement surging

Global military spending reached a record US$2.89 trillion in 2025, the 11th consecutive annual increase, and SIPRI expects growth to continue through 2026 and beyond.

Stockpiling has barely begun

DLA: US$2bn ceiling, only US$150m funded; 1,715 t RFI; US$2bn added to the stockpile fund.

Questions?