

Mine to Melt

What's really driving foundry raw material costs in 2026

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2026 prices are splitting: some calm, some climbing

FeMo

Up

Moly oxide about +33% since March

Copper

Up

Strong all year on electrification demand

Nickel

Round trip

Up ~34% to May, now back near year-ago levels

MgFeSi

Steady

China magnesium flat

Pig iron

Up

Brazil FOB +17% in 12 months; off its May peak

FeSi

Rising

Up ~13% in 12 months; turned up from March

HC FeCr

Mostly easing

Most grades down; 6% max C grade up ~25%

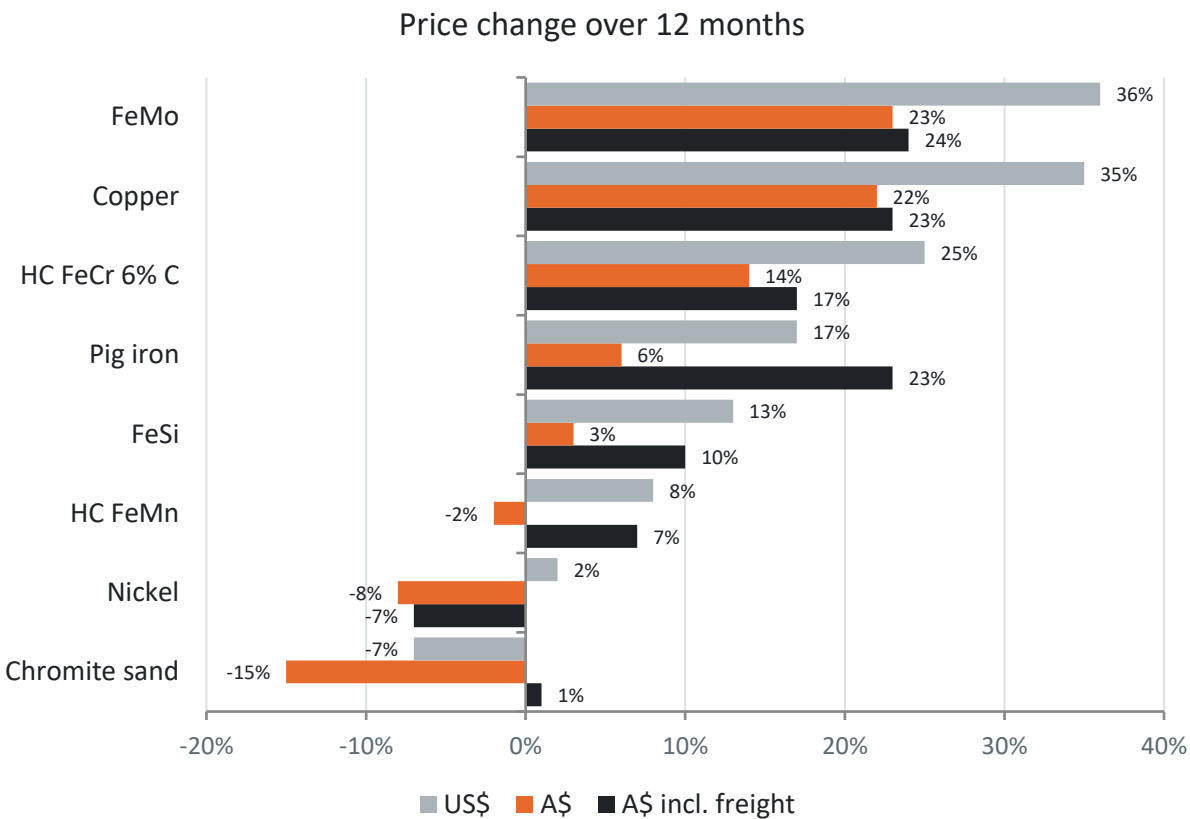
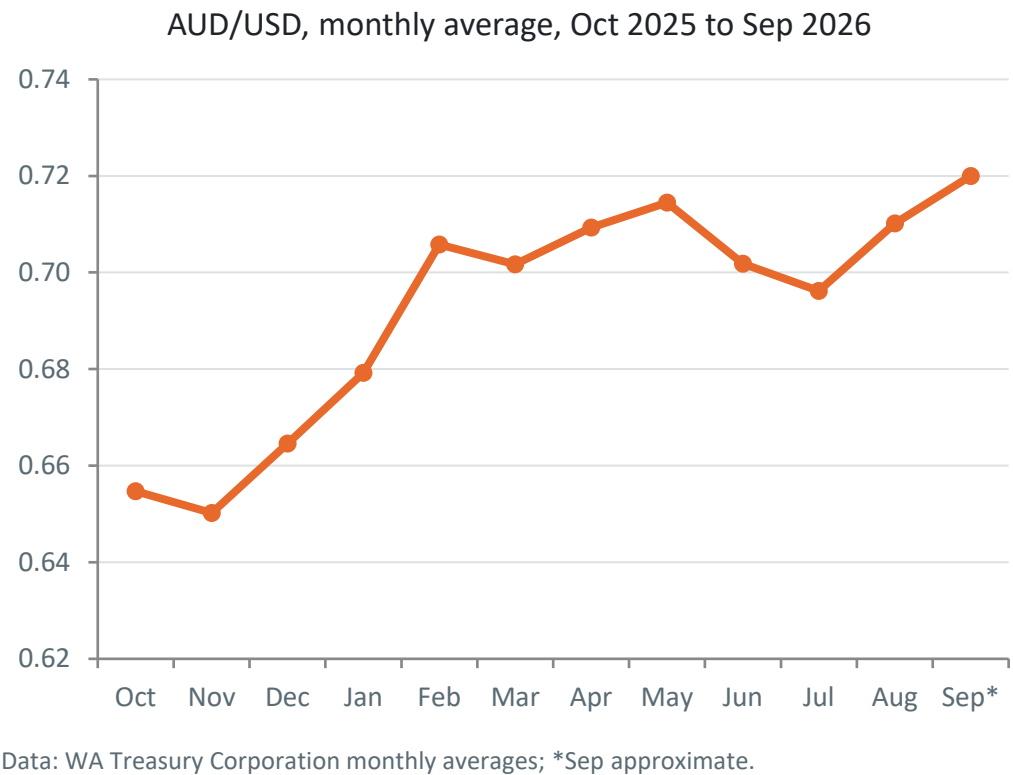
FeMn / SiMn

Steady

Flat most of 2026; jumped in late September

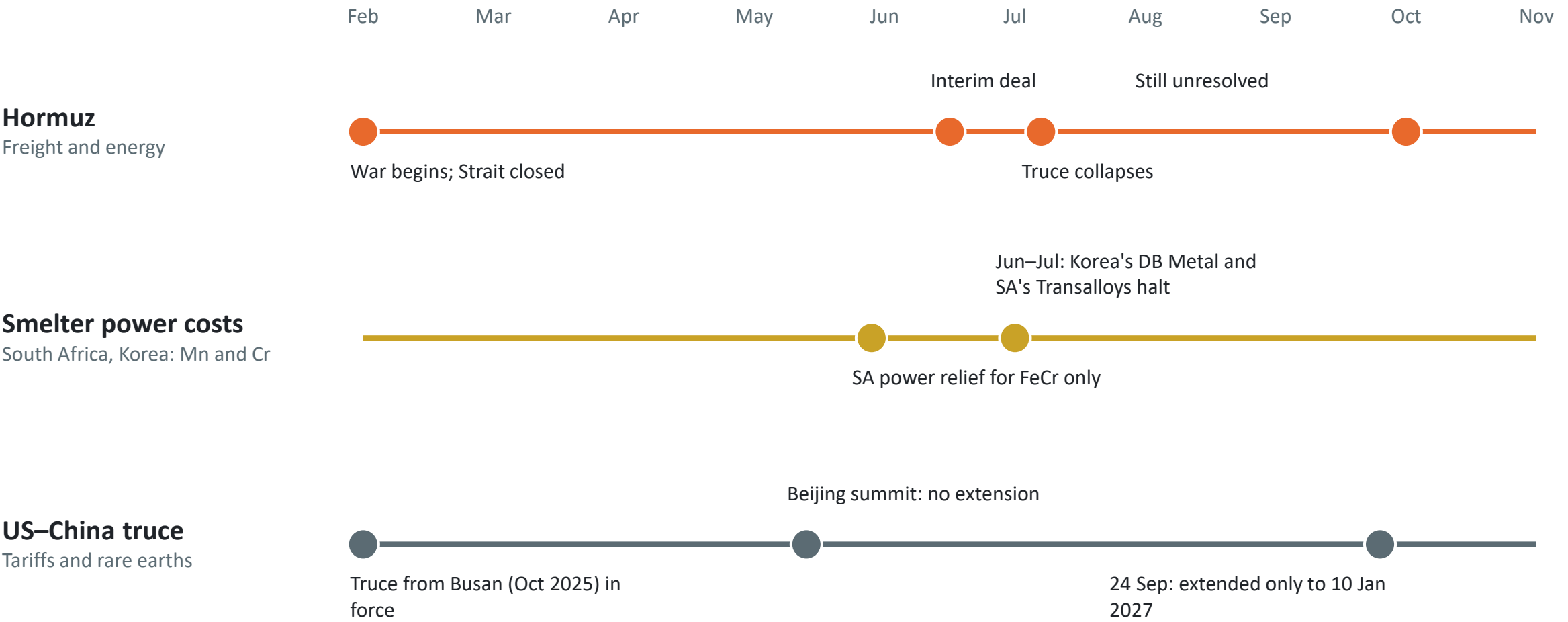
The real change is underneath: fewer smelters, more concentrated supply, more policy risk

How freight took the dollar back

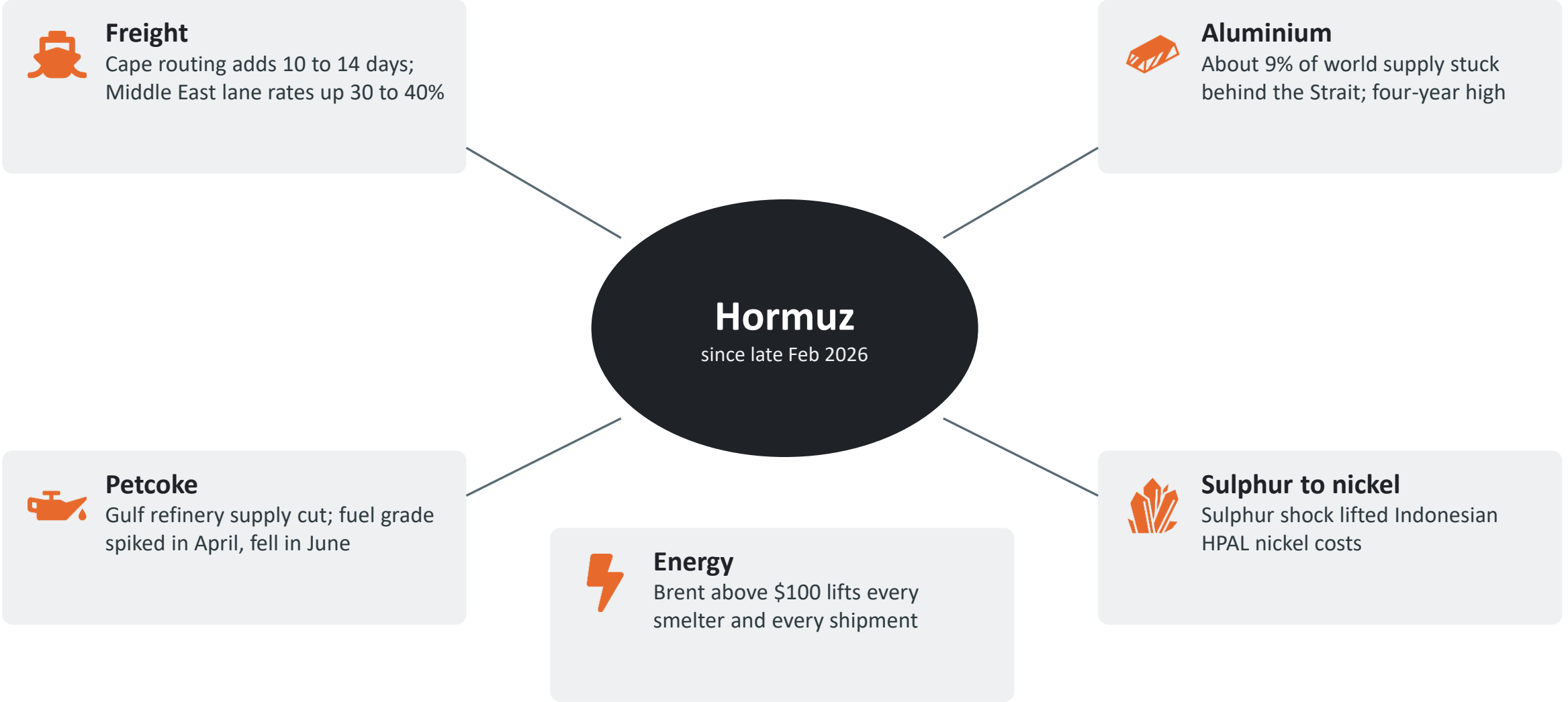


High-value alloys keep the currency win. Low-value bulk loses it: Pig Iron, FeSi, Manganese, Chromite sand.

Three shocks in 2026 and none of them are demand



One crisis, many ripples: very little of it passes through Hormuz



Jinduicheng Molybdenum Mine

Qinling Mountains – Shaanxi Province, China



The mine: a lot of rock for a little metal



0.099% Mo
contained in the run-of-mine

From rock to ferro moly in five steps



1. Mine

Drill, blast and haul low-grade ore



2. Concentrate

Crush, grind and float to molybdenite (MoS_2)



3. Roast

Convert to moly oxide, about 57% Mo; sulphur captured as acid



4. Reduce

Oxide plus FeSi and aluminium, ignited; reacts in minutes

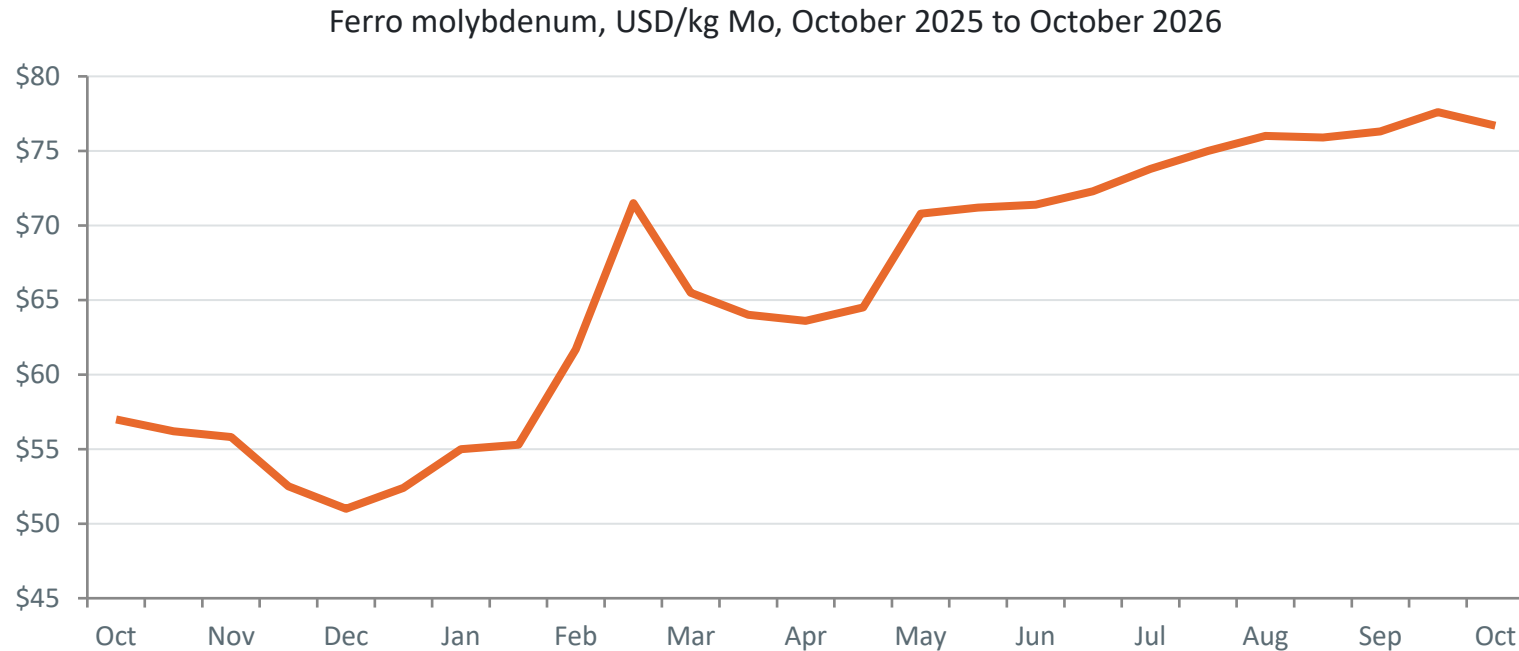


5. Finish

Break, crush and size to 60–70% Mo FeMo



What sets the FeMo price: the mine, not the converter



Redrawn by DMS from published market prices; approximate half-monthly values.

+36%

over 12 months: about \$56 to \$77/kg Mo

+50%

from the December low of about \$51

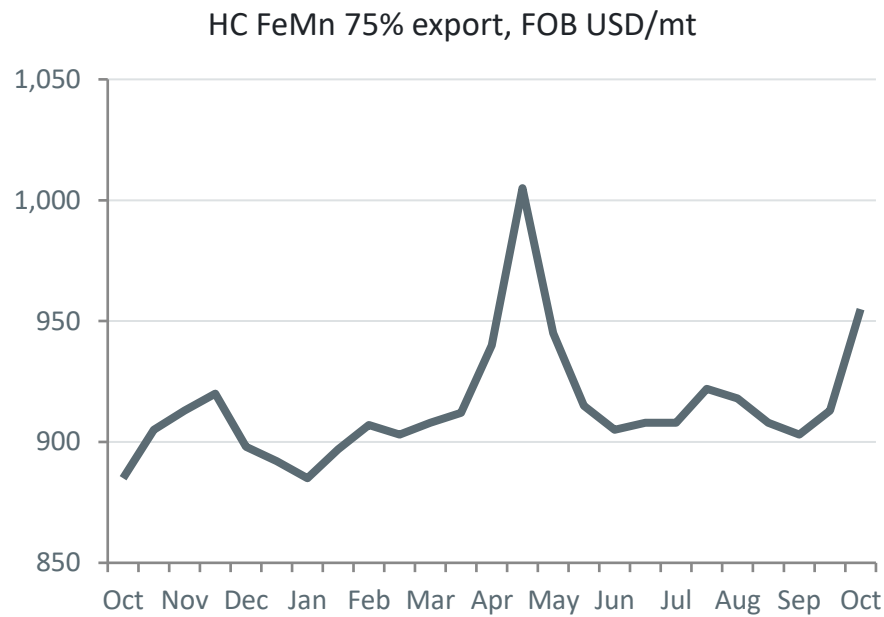
Feb spike

jumped to about \$71, then fell back

- Oxide is most of the cost; conversion to FeMo is a thin margin on top
- Much of world moly is a by-product of copper mines in Chile, Peru and the US, so supply follows copper decisions, not moly demand

Manganese is the opposite story: an energy problem

	Moly	Manganese
Ore	Scarce, low grade	Plentiful: South Africa, Gabon, Australia
Conversion	Quick exothermic reaction	Submerged arc furnace, coke, heavy power use
Price set by	The mine	Power and reductant cost
2026 casualty	—	Bell Bay (Tas), Transalloys (SA) and DB Metal (Korea) all stopped



Redrawn by DMS from published market prices; approximate half-monthly values.

Three manganese smelters stopped in 2026. Yet FeMn barely moved: flat most of the year, until a jump in late September.

Your risk map: supply risk runs ahead of price risk

Input	Used by	Price	Supply	Quality	2026 driver
Pig iron	Iron foundries	Medium	High	Medium	Up 17%; Brazil exports flow to the US
FeSi	All	Medium	Medium	Low	Up since March; EU safeguard
MgFeSi	Ductile	Low	High	Medium	China magnesium; rare earth controls
FeMn / SiMn	Steel, some iron	Low	Medium	Medium	Bell Bay, Transalloys, DB Metal stopped
FeCr	High-chrome, steel	Medium	Medium	High	Most grades down; 6% max C up
FeMo	Steel, alloyed iron	High	Medium	Low	Oxide up about a third this year
Nickel	Ni-resist, stainless	Medium	Low	Low	Indonesia quota vs high stocks
Carbon raisers	All	Low	Medium	Medium	Oil, freight; China graphite controls
Chromite sand	Moulding, steel	Low	Medium	Medium	Plentiful SA ore; easing

Ratings are market judgement as at October 2026.

Pig iron: dearer, and harder to get

+17%

Brazil FOB, 12 months (peak +26%)

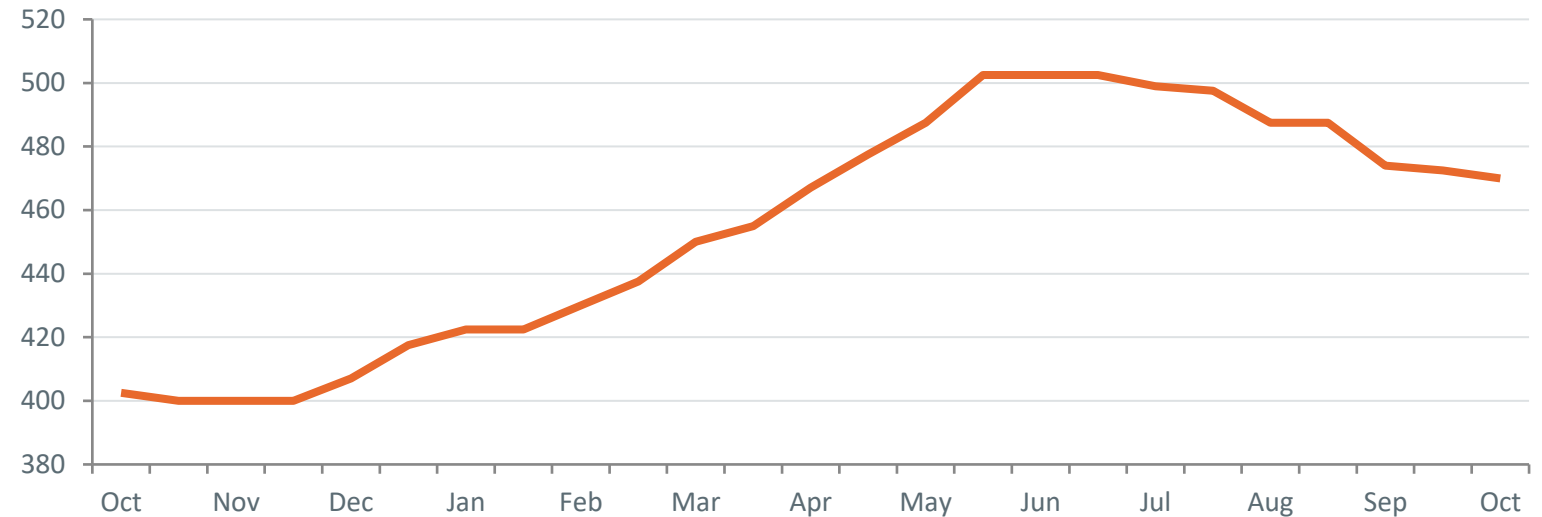
83%

of Brazil's pig iron exports went to the US in the past year

-2.8%

global pig iron output, Jan–May 2026

Pig iron, export FOB Brazil, USD/mt



Redrawn by DMS from published market prices; approximate half-monthly values.

- A steady climb from \$400 to about \$500/t by May; easing to about \$470 since
- Russian and Ukrainian supply restricted; Brazil's tonnes are heading to the US
- Steelmakers moving to EAF now compete for the same clean iron units

FeSi and MgFeSi: silicon has turned

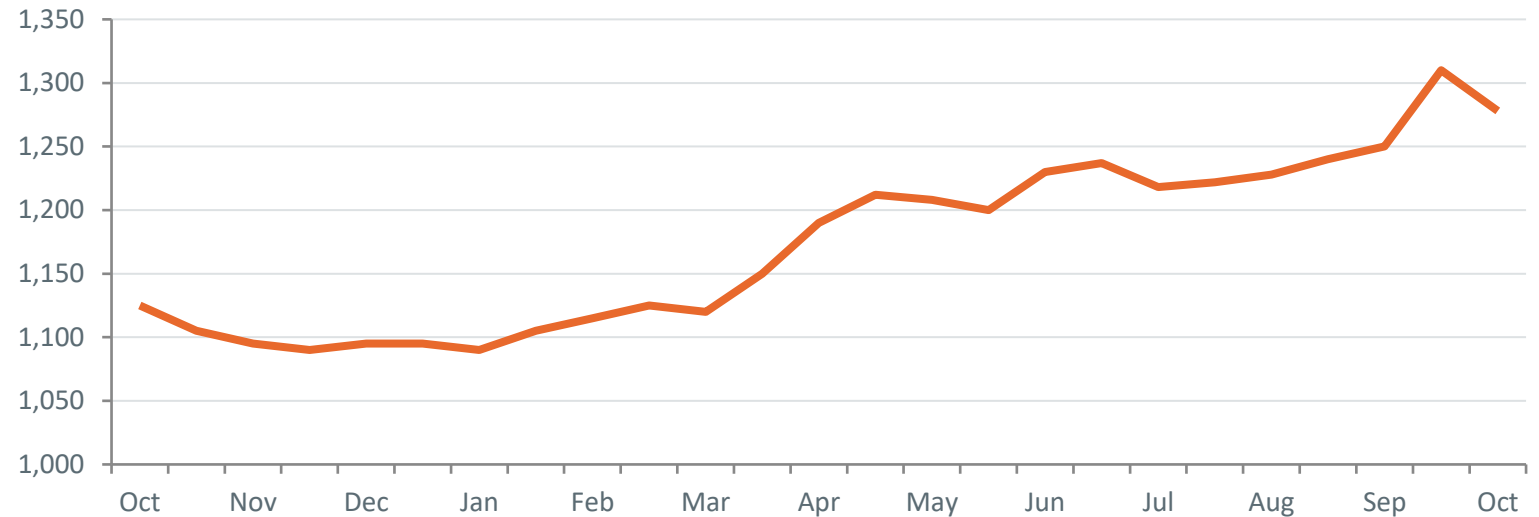
+13%

FeSi price, 12 months

~86%

China's share of world primary magnesium

Ferro Silicon, USD/mt



Redrawn by DMS from published market prices; approximate half-monthly values.

- Flat October to February, then a steady climb from March
- EU safeguard (Nov 2025 to Nov 2028) covers FeSi and MgFeSi: a protected European price
- Nodulariser: magnesium is flat, but its rare earths depend on a US–China truce that now runs only to 10 January

Chrome: falling overall, except where the spec is tight

+25%

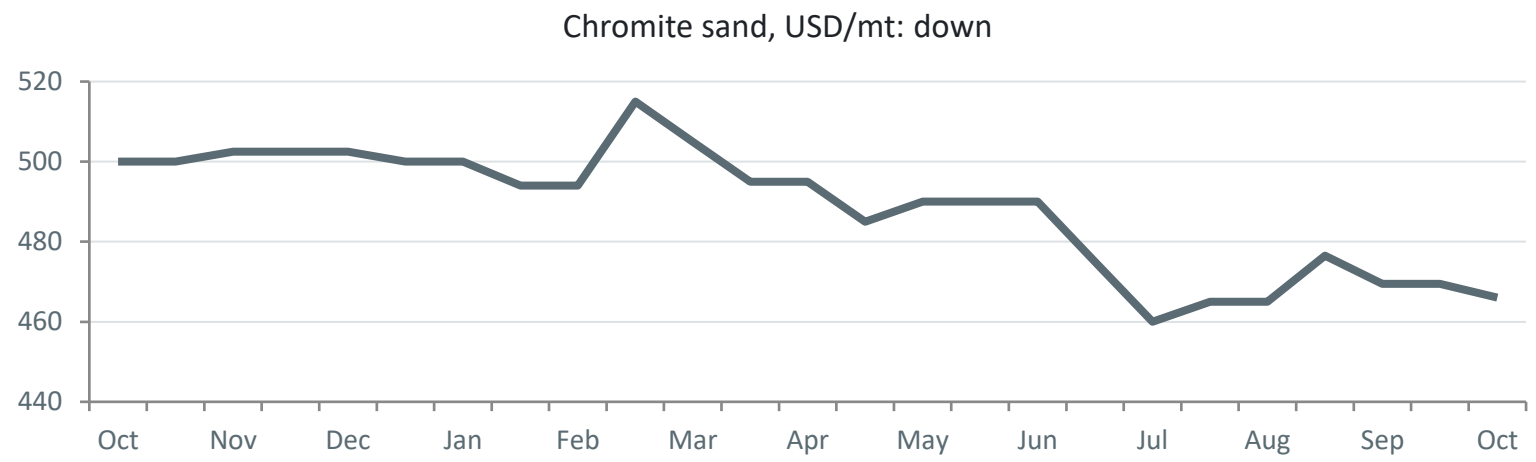
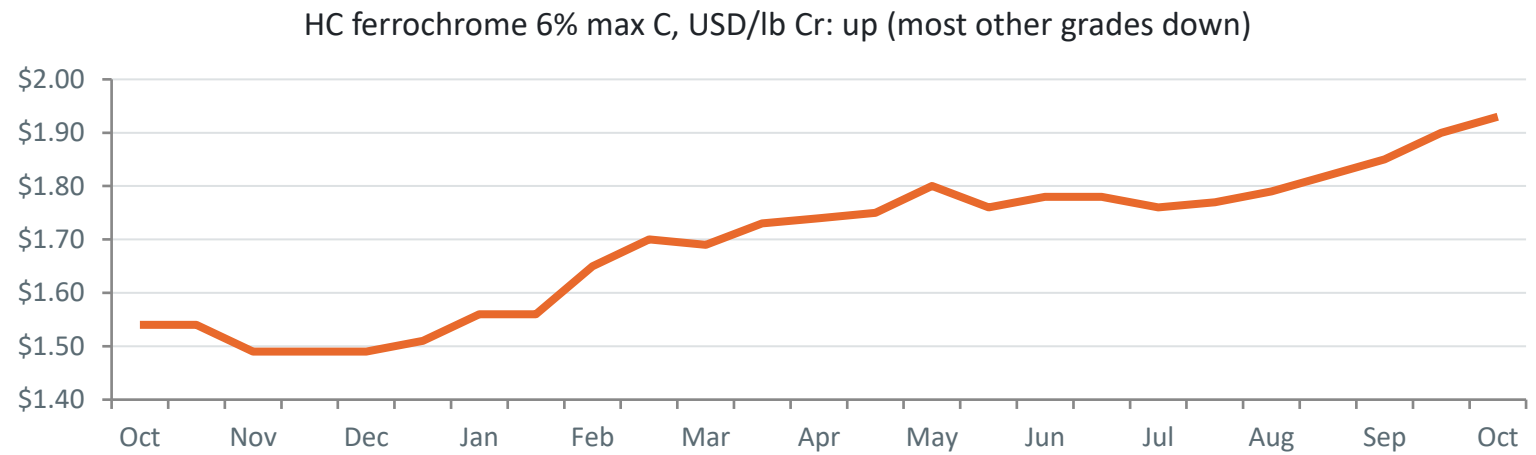
HC FeCr 6% max C grade, 12 months

-7%

Chromite sand, 12 months

+39%

South Africa chrome ore exports, H1 2026



Redrawn by DMS from published market prices; approximate half-monthly values. October 2025 to October 2026.

Nickel: made a round trip

+38%

December to May

-20%

May to current

~ flat

Over 12 months

Nickel, USD/mt, October 2025 to October 2026



Redrawn by DMS from published market prices; approximate half-monthly values.

- Indonesia cut its 2026 ore quota to 260–270 million wmt, from 379 million: the rally
- LME stocks above 270,000 t, so the ore cut never reached refined metal: the fall
- Hormuz sulphur shock raised Indonesian HPAL costs, a floor under the price

Thank you