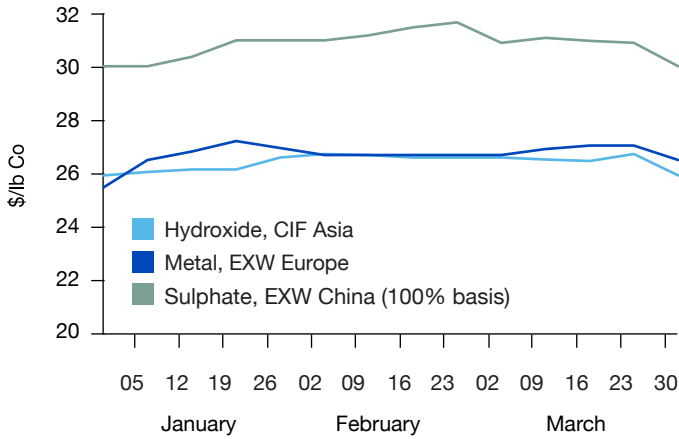


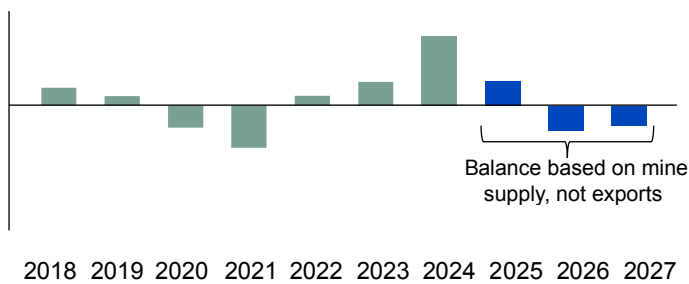
## COBALT MARKET MOVES INTO DEFICIT IN 2026

### Cobalt prices Q1 2026, Unit: \$/lb Co

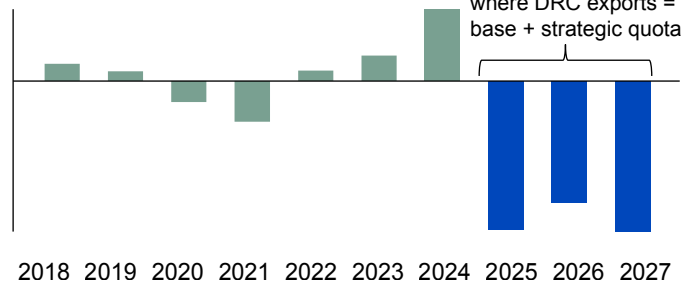


- The cobalt market is expected to shift into deficit this year, with the market balance on a mined supply basis reaching -16kt in 2026. This figure does not consider limitations on DRC exports.
- When looking at the market balance on an ex-DRC basis, (DRC export quotas plus rest of world supply), the market deficit increases substantially, to -80kt in 2026, equivalent to 27% of global demand.
- Cobalt demand estimates have been upgraded to 263kt in 2026 and 280kt in 2027, unadjusted for supply chain lags. Cobalt demand from EVs is expected to grow 6.5% in 2026 and 9.4% in 2027.
- Boeing and Airbus deliveries in Q1 2026 decreased marginally compared to the previous year, -3% y-o-y, with a combined 257 deliveries of commercial aircrafts in the first quarter (compared to 266 in Q1 2025). This is reflective of slightly weaker demand growth for superalloys, which are expected to grow 5.6% y-o-y, compared to an estimated growth of 7.5% in 2025.

### Cobalt Market Balance, Global Base Case, Unit: kt Co

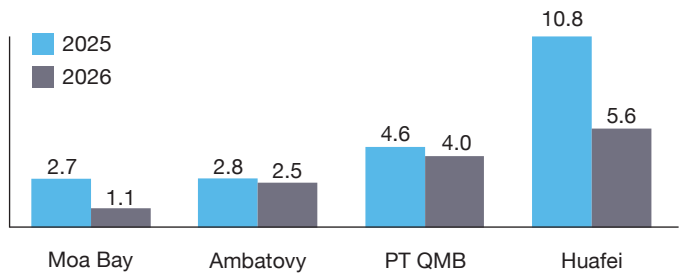


### Cobalt Market Balance, Ex-DRC, Unit: kt Co



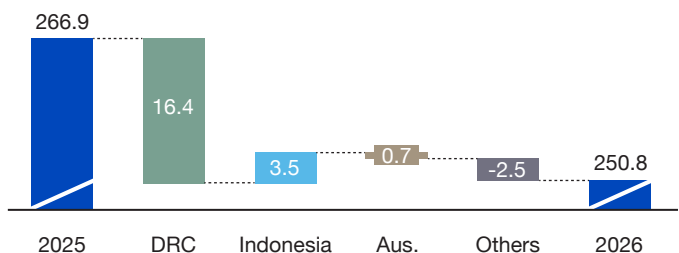
## DEMAND ESTIMATES DOWNGRADED, BUT GROWTH REMAINS ROBUST

### Cobalt supply 2025-26, Unit: kt Co



- The conflict between the US and Iran has disrupted shipping through the Strait of Hormuz, a key region for global sulphur supply, causing sulphur prices to increase sharply.
- 72% of Indonesian sulphur imports in Q1 2026 originated from the Middle East, and rising sulphur prices present a particular challenge for MHP assets. Sulphur is necessary for these operations to produce acid used in the HPAL process, increasing costs.
- Some refiners have reportedly reduced production in response to the sulphur shortage. Indonesian producer Huayou has cut output at its Huafei asset by up to 50%. As the situation is ongoing further supply disruptions from this region are expected.
- Other disruptions in Madagascar and Indonesia have forced Ambatovy and PT QMB to halt production temporarily.
- Moa bay is facing continued supply challenges due to fuel shortages following US intervention in Venezuela, and subsequent sanctions on Cuba. Sherritt has announced it is reducing participation in the joint venture, though the details of this remain unclear.

### Mined Cobalt Supply\* (2026 vs. 2025), Unit: kt Co



Please do not hesitate to get in touch if you have any questions:

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