

The Great Scramble

How Geopolitics is Reshaping the Strategic Metals Landscape

Authored by: Chandan BR, Ashvin Patidar

Under the guidance of: Manju Mastakar
(Managing Director)

Phone : +91 8008253510

Email address : chandan@armstrong-cap.com

Website : www.armstrong-cap.com

A Sector Review: May – October 2025

A Market Rewired by Geopolitical Tensions



Surging Demand Met a Supply Shock

Unrelenting demand from EV and clean energy sectors created a structural bull market, which was then ignited by major policy shifts.



China Weaponized Its Dominance

Beijing's use of export curbs on Rare Earths (REEs) and key metals transformed supply chains into a primary arena for US-China trade friction.



Markets Bifurcated

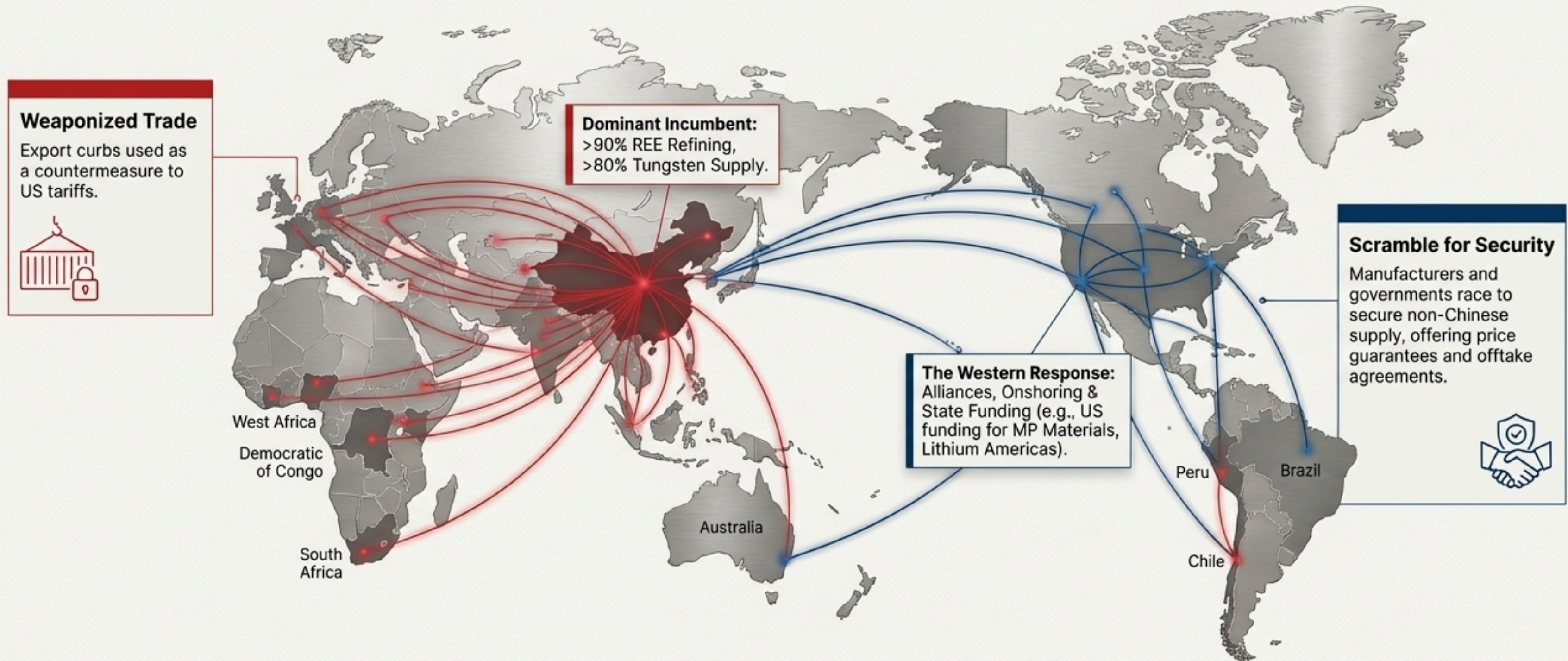
The result was extreme price volatility and a clear split in performance, with Western-aligned producers and projects attracting a premium while others lagged.



A New Era of Resource Nationalism

The outlook is for sustained price pressure and volatility as nations scramble to secure domestic supply, fundamentally altering risk assessment in the sector.

Visualizing the Bifurcation of Global Mineral Supply Chains



Outsized Gains Reflect a Sector in Upheaval (May – Oct 2025)

REE Producers



MP Materials: +157%



Ganfeng Lithium: +131%



Lynas Rare Earths: +78%



Lithium & Battery Metals



Pilbara Minerals: +119%



Albemarle: +44%



Other Strategic Metals



Xiamen Tungsten: +100%



Iluka Resources: +66%



Jinduicheng Molybdenum: +53%

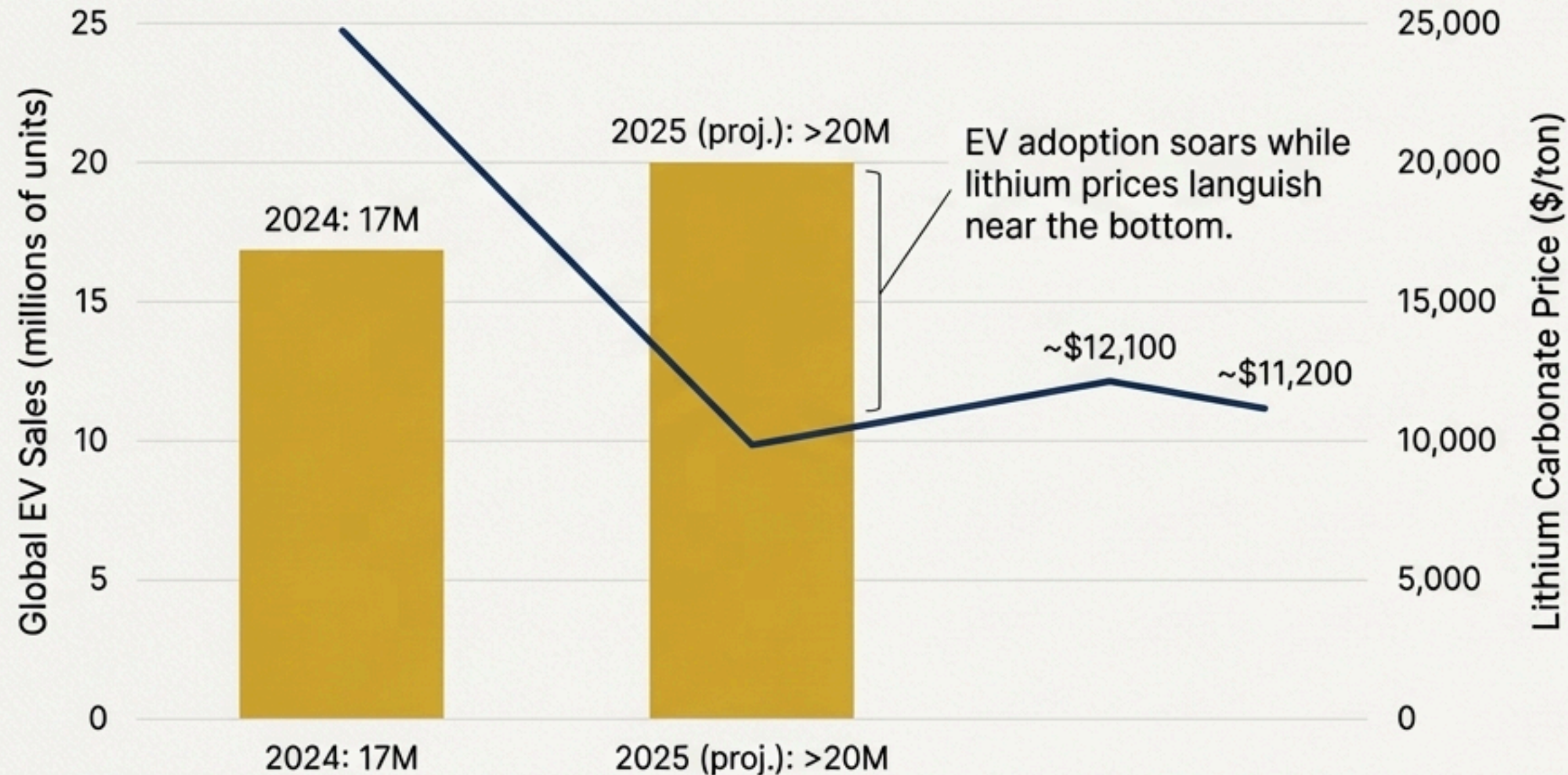


Performance was driven by a combination of surging demand forecasts, government policy interventions, and severe supply disruptions originating from Chinese export controls.

LITHIUM & BATTERY METALS

Navigating a Structural Demand Boom and a Cyclical Supply Glut

The Great Disconnect



Key Metrics Dashboard

-  **6-Month Price Change (Lithium Carbonate):**
From ~\$12,100/ton (Aug) to ~\$11,200/ton (End Q3)
-  **Key Demand Driver:**
Global EV sales on track to surpass 20 million units in 2025
-  **Key Supply Factor:** Mine output has increased ~192% since 2020
-  **Dominant Narrative:** Long-term fundamentals are strong, but near-term oversupply is pressuring prices

Corporate Fortunes Diverge Amidst Price Pressure and Policy Tailwinds

Market Bifurcation

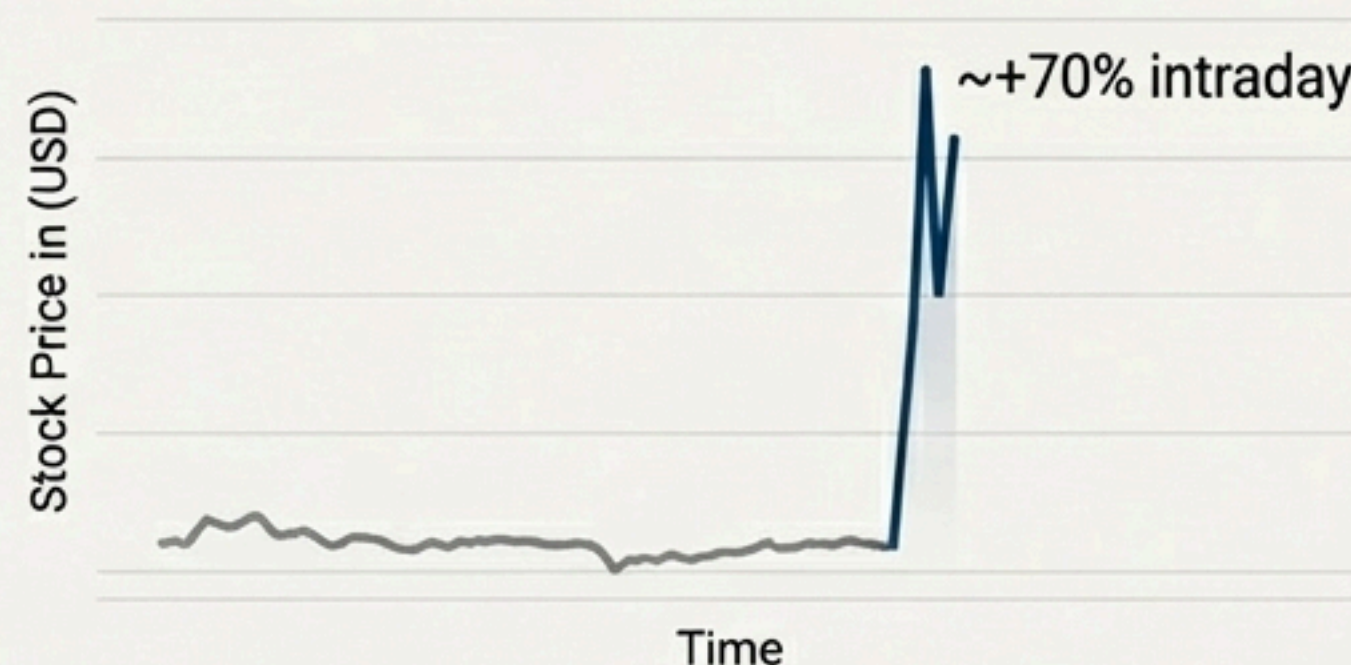
↑ Winners

- **Albemarle:** Reported a surprise Q2 profit on volume growth despite ~90% price drop from peaks.
- **Pilbara, Lontown, Ganfeng:** Stocks more than doubled on optimism and reports of cuts in Australian supply.

↓ Losers

- **Sigma Lithium:** Plunged on execution delays, highlighting operational risk.

The U.S. Policy Catalyst



U.S. policy signals create massive volatility. News of a potential Trump administration stake in Lithium Americas' Thacker Pass project sent its stock soaring.

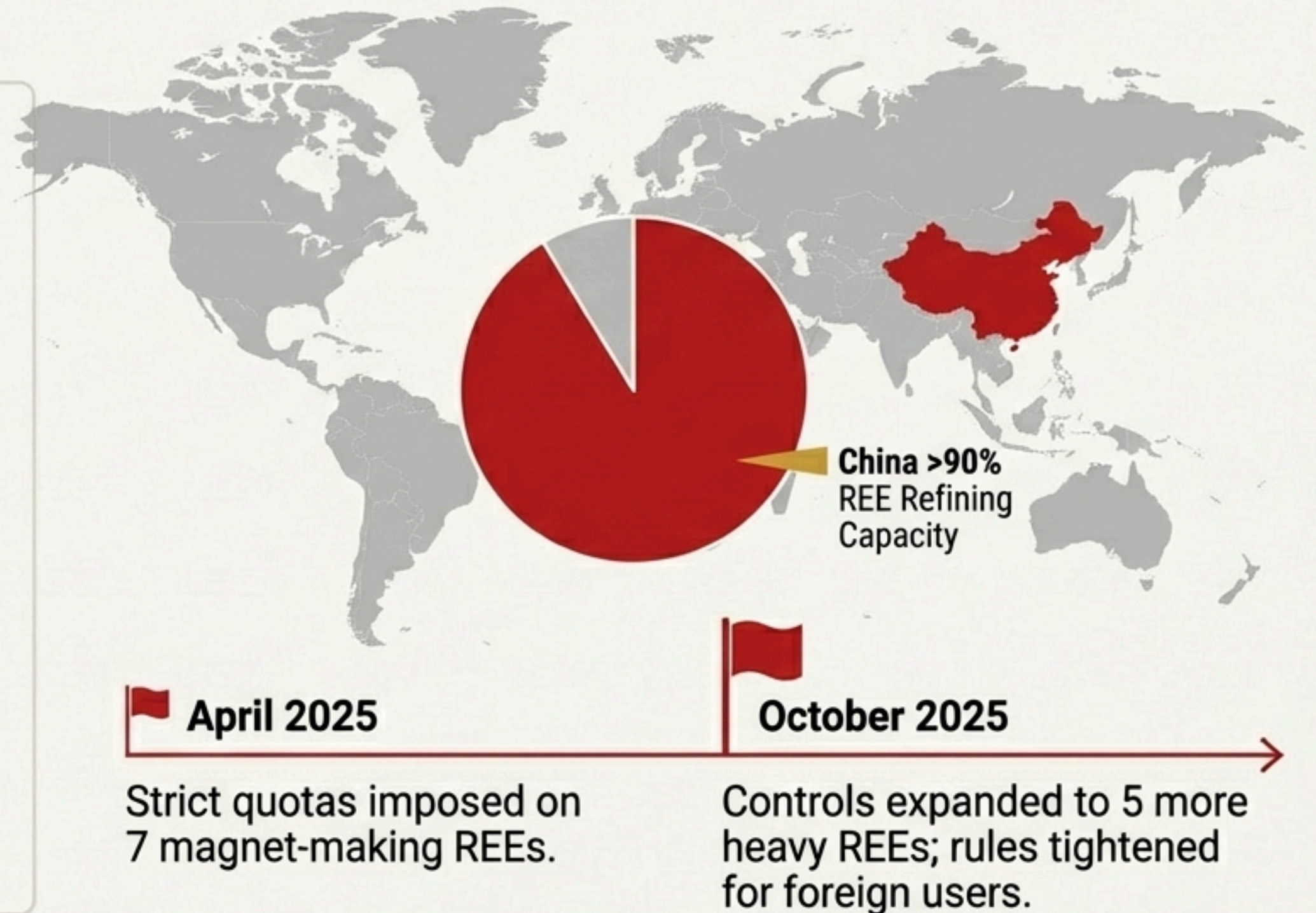
So What? For investors, operational excellence and proximity to Western government support are becoming as critical as resource quality. Watch for policy shifts as major catalysts.

RARE EARTH ELEMENTS (REEs)

China's Weaponization of Supply Ignites a Global Price Shock

Key Metrics Dashboard

- ↗ **NdPr Oxide Price Change:** Surged **~40%** to ~\$88/kg by late August
- ↗ **Yttrium Oxide Price Change:** Jumped an extraordinary **4,400%** since January to ~\$270/kg
- 🌐 **Key Geopolitical Factor:** China controls **>90%** of global REE refining capacity
- ↗ **Dominant Narrative:** Politically-driven supply curbs are creating acute shortages and price spikes, forcing a Western response


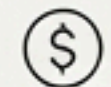


Tungsten's Surge and Titanium's Slump Highlight Divergent Paths

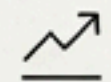
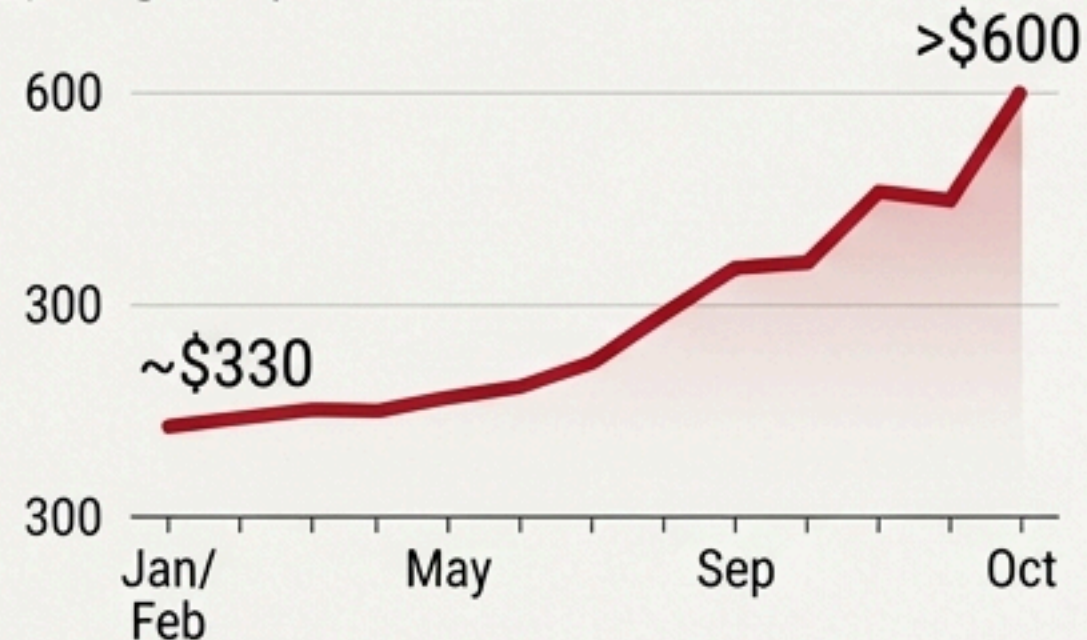
Defense Metals Under Pressure


Metals

Tungsten & Molybdenum


Catalyst
 China restricted five "defense" metals in February 2025 in retaliation for US tariffs.

Price Impact (Tungsten)

\$/MTU

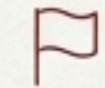

Stock Impact

Chinese miners' shares rallied (Xiamen Tungsten +100%, Jinduicheng Moly +53%).

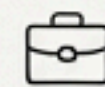
Industrial Metals Face Headwinds


Metal

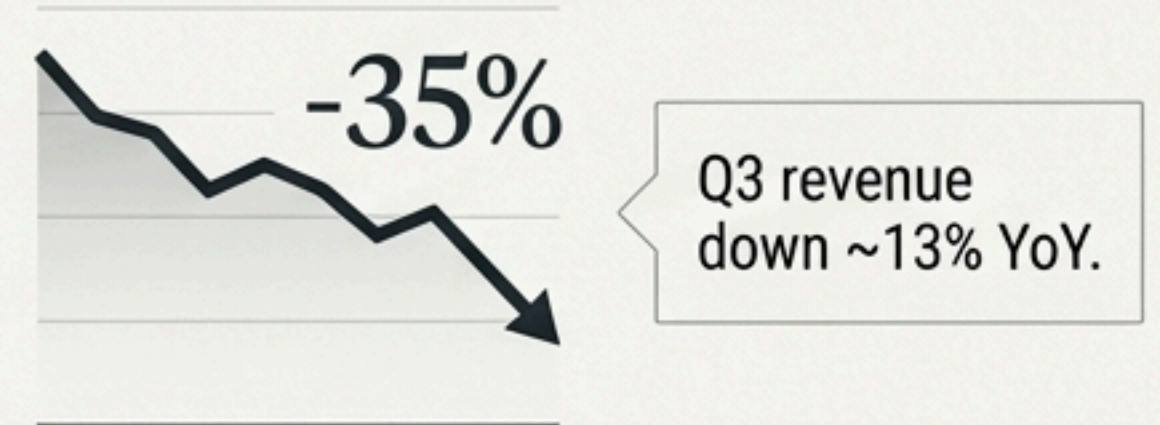
Titanium


Catalyst

Weaker demand for titania/anatase.

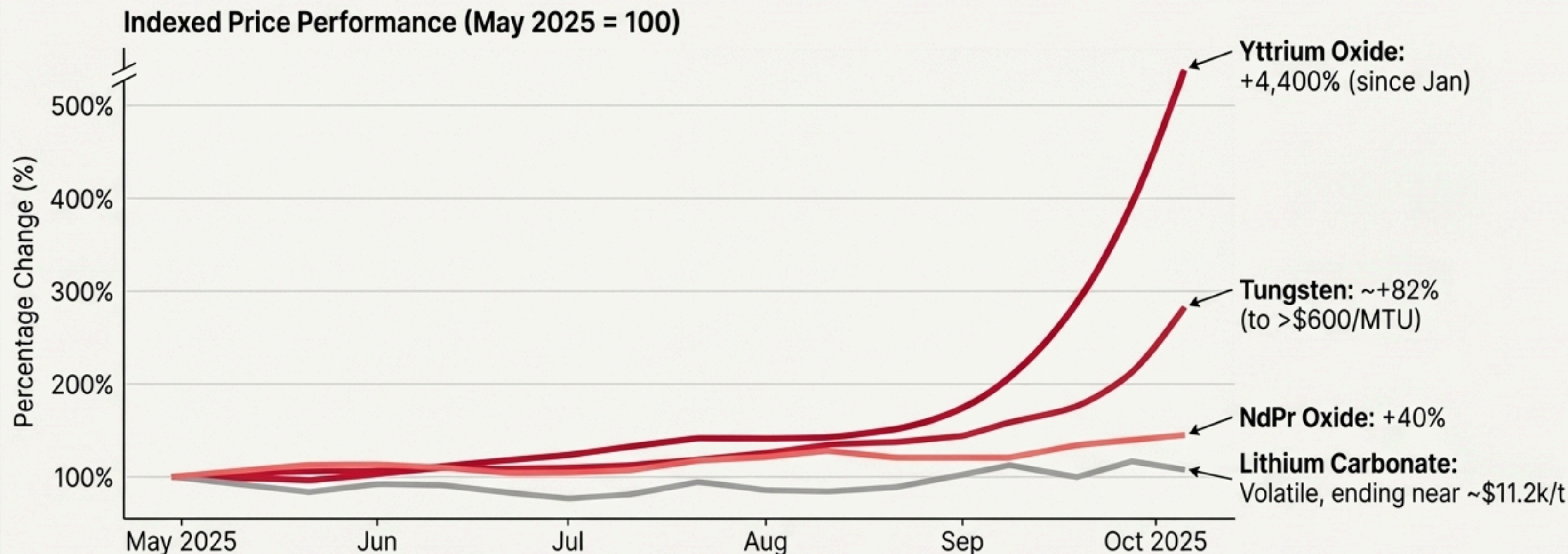

Corporate Impact (Tronox)

Inter



Meanwhile, robust zircon demand for electronics and ceramics lifted mineral sands producers like Iluka Resources (+66%).

Price as the Protagonist: A Six-Month Story of Divergence



Geopolitical actions, not just supply/demand fundamentals, were the primary driver of price discovery. The most extreme price moves occurred in markets with the highest concentration of Chinese supply (Yttrium, Tungsten).

Sector Forecasts: Short-to-Medium Term



LITHIUM

Oversupply to Cap Near-Term Gains



Forecast

Prices may languish near the current bottom unless new demand from energy storage accelerates or significant project delays occur. Albemarle expects positive cash flow in 2025.



Catalysts to Watch

- EV policy changes (tax credits)
- M&A activity
- Mine closures



RARE EARTHS

Sustained Price Strength Expected



Forecast

Supply anxiety and elevated prices will persist until new Western capacity arrives (2026-28). Heavy REEs (Dy, Tb, Y) will remain particularly tight. Strong demand from EVs, wind, and defense justifies higher prices.



Catalysts to Watch

- Any change in Chinese export controls
- Progress on Western projects (MP, Lynas)



OTHER METALS (TUNGSTEN/MOLY)

Supply Constraints to Keep Prices Elevated



Forecast

With China's share >80%, costs will likely remain high until new non-Chinese mines come online. Industrial metal markets (e.g., Titanium) will remain weak until demand recovers.



Catalysts to Watch

- Further trade restrictions
- Signs of global industrial recovery

Key Takeaway: The Geopolitical Premium is Permanent

The strategic metals sector has fundamentally repriced. Markets are no longer driven solely by supply and demand fundamentals but by a geopolitical premium reflecting the value of supply chain security.

1. Policy is the New Catalyst:

Trade decisions, subsidies, and stockpiling announcements will be primary drivers of volatility and opportunity, eclipsing traditional market signals.

2. Bifurcation is a Multi-Decade

Shift: The push to “onshore” critical mineral supply is a long-term structural trend. While this will slowly reduce Western dependence, Chinese market dominance will remain a reality through 2030.

3. Not All Metals Are Equal:

Investors must differentiate between markets plagued by oversupply (Lithium) and those suffering from acute, politically-driven shortages (REEs, Tungsten). The path forward is not monolithic.



REFERENCES AND ADDITIONAL READING

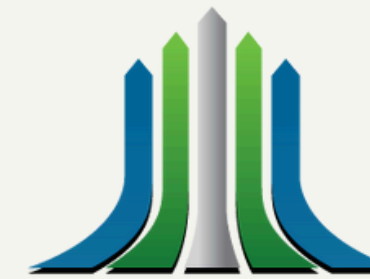
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Phone

+91 8008253510

Website

www.armstrong-cap.com

Address

**A1 Tower, 5th Floor, Golden
Enclave, Corporate Block, Old
Airport Road, Bangalore 560017**

Email address

chandan@armstrong-cap.com