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Feedstock Review October 2026

The Feedstock Market Fractures:

Most Feedstocks Struggle and Zircon Emerges as the Sector's Brightest Opportunity

The mineral sands industry has not participated evenly in the recovery underway within the TiO₂ pigment market. While pigment producers have benefited from higher prices, inventory normalization, and improving utilization, feedstock markets remain highly fragmented. Product selection, process route, and exposure to China have become significantly more important than simple volume growth.

The strongest position in the feedstock value chain belongs to chloride ilmenite. Supply interruptions at major sources, increasing consumption by both multinational producers and Chinese synthetic rutile producers, and a lack of meaningful replacement supply have tightened market balances. At the opposite end of the spectrum, sulfate ilmenite remains burdened by elevated inventories, weak slag demand, and persistently high Chinese production.

Zircon continues to be the standout performer. Despite weak housing markets in China, Europe, and parts of Asia, depletion, supply disruptions, and disciplined producer behavior have improved market balance and supported higher prices. Meanwhile, rare earths are becoming increasingly important to project economics, reshaping how future mineral sands developments are financed and evaluated.

In This Issue

Chloride Ilmenite Becomes the Preferred Growth Segment

Why disruptions at QMM and Grande Côte, Chemours' continuing direct chlorination strategy, and growing Chinese synthetic rutile production are creating a constructive outlook for chloride ilmenite.

Sulfate Ilmenite Remains Oversupplied

How record domestic Chinese production, substantial heavy mineral concentrate imports, and weak titanium slag operating rates continue to pressure sulfate feedstock prices.

High-Grade Feedstocks Continue to Struggle

Why synthetic rutile, natural rutile, chloride slag, and upgraded slag continue to face structural demand challenges despite improving pigment market conditions.

Zircon Strengthens Despite Weak End Markets

How resource depletion, producer discipline, and supply interruptions are supporting zircon pricing and improving producer profitability.

Rare Earths Change the Investment Case

Why monazite and downstream rare earth processing are becoming increasingly important drivers of mineral sands project economics.

Project Risk and Future Supply

How delays, operational challenges, and funding constraints at major projects continue to influence long-term supply expectations.

From the Analysis

"The feedstock market is no longer responding to a single industry cycle. Chloride ilmenite remains constructive, sulfate ilmenite remains oversupplied, high-grade chloride feedstocks continue to face structural pressure, and zircon has become the strongest performer in the mineral sands value chain."

— **Ti Observer™ Insights** October 2026

Key Drivers Reshaping Feedstock Markets

Chloride Ilmenite Supply is Tightening

Chloride ilmenite remains the strongest segment of the feedstock market. Three forces continue to drive the trend:

1. Chemours remains heavily dependent on chloride ilmenite as the primary feedstock for its chloride pigment operations.
2. Traditional supply sources continue to face disruption, including Rio Tinto's QMM suspension and Eramet Grande Côte's constrained production.

Collectively, these developments have improved the long-term outlook for chloride ilmenite more than for any other titanium feedstock.

Sulfate Ilmenite Remains the Industry's Weakest Link

The sulfate feedstock market continues to face significant structural challenges.

Domestic Chinese ilmenite production remains near record levels. At the same time, imported concentrate continues flowing into Chinese MSPs, while titanium slag operating rates remain depressed and inventories remain elevated. Although inventory reductions were observed during the summer, stock levels remain historically high and continue to cap pricing.

The outlook remains cautious until inventories normalize and Chinese production declines meaningfully.

High-Grade Feedstocks Continue to Face Structural Pressure

The closure of large chloride pigment facilities over the past several years fundamentally changed the feedstock landscape.

The shutdown of Kuan Yin, Botlek, and Greatham removed major consumers of natural rutile, synthetic rutile, upgraded slag, and chloride slag. While Greatham has restarted

under new ownership, the return of demand is expected to be gradual and unlikely to restore historical consumption levels in the near term.

Even with constrained supply, demand has adjusted downward enough to limit pricing improvement across much of the high-grade feedstock sector. .

Zircon Continues to Outperform

Zircon remains the clearest bright spot within mineral sands.

Weak housing markets would ordinarily limit demand, but depletion, project delays, operational interruptions, and disciplined producer behavior have tightened supply enough to offset macroeconomic weakness. Producers have successfully implemented price increases during 2026, and the outlook remains constructive heading into 2027.

For producers such as Tronox, zircon continues to represent a disproportionately important contributor to earnings and cash flow because of its attractive margin profile. .

Rare Earths Are Becoming Strategic

An increasingly important development is the growing role of rare earths within mineral sands.

Projects that may have struggled economically utilizing zircon and ilmenite alone are now relying on monazite and downstream rare earth processing opportunities to support investment decisions. Iluka, Tronox, Energy Fuels, Astron, and others are investing heavily in this area. The trend has the potential to reshape the long-term economics of the industry throughout the remainder of the decade.

Why It Matters

The feedstock market can no longer be viewed through a single lens.

TiPMC's current strategic outlook reflects distinctly different conditions across product groups. This chart captures the central issue facing the feedstock market – Chloride Ilmenite is tightening; Zircon is improving; Sulfate Ilmenite remains oversupplied:

Segment	Current Outlook
Chloride Ilmenite	Constructive
Natural Rutile	Cautiously Constructive
Synthetic Rutile	Cautious
Chloride Slag / UGS	Neutral
Sulfate Ilmenite	Cautious

Sulfate Slag	Neutral to Cautious
Zircon	Constructive

The industry's winners are increasingly being determined by process route exposure, product mix, supply risk, and access to emerging rare earth opportunities rather than broad demand growth alone.

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I welcome your calls, questions and requests,



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