

# The Global Nickel Market at a Turning Point

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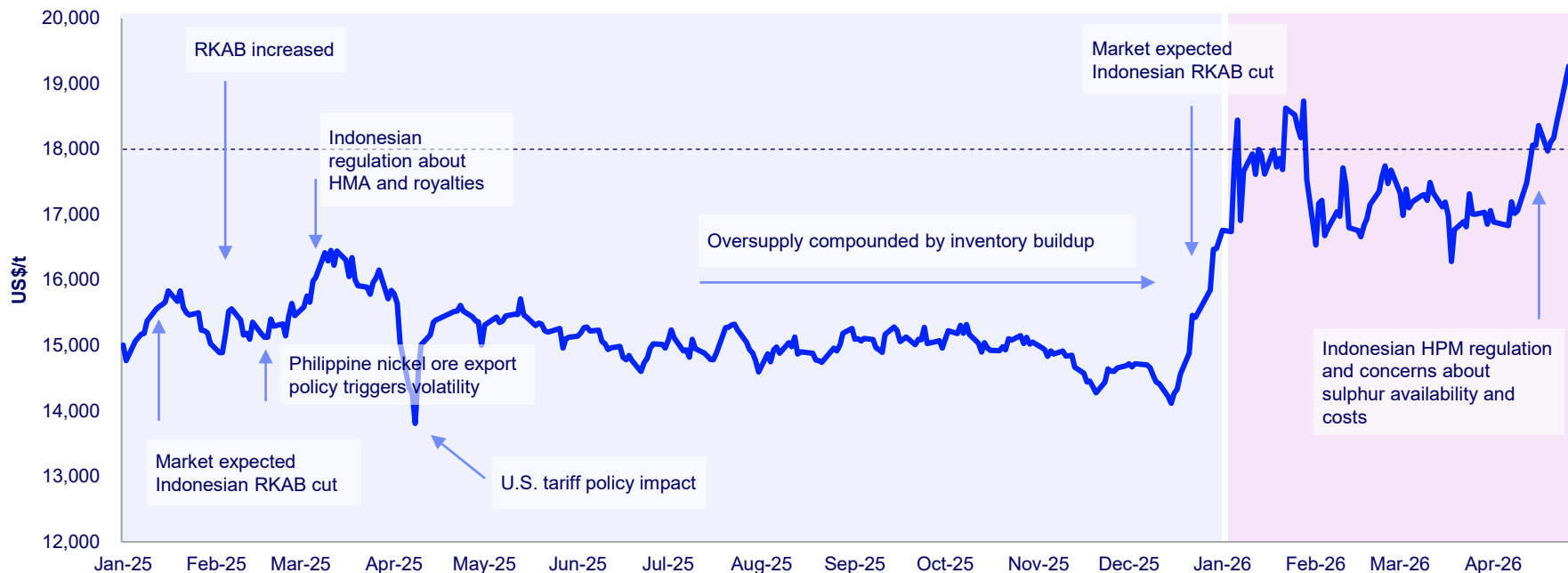
May 2026





## Nickel metal prices rebound to US\$19,000/t

Nickel prices surged US\$19,000+/t in 2026, recovering from a five-year low in 2025. The rally reflected Indonesia's RKAB cuts, Middle East conflict-related sulphur supply disruptions, and uncertainty over Indonesia's HPM ore pricing benchmarks. Downside price risks appear limited





# Indonesian policies bring supply uncertainties

Indonesian nickel ore tightness expectations still hold; the new HPM regulation (domestic benchmark nickel ore prices) effective April 15 is to significantly raise limonite costs and strain HPAL smelter operations

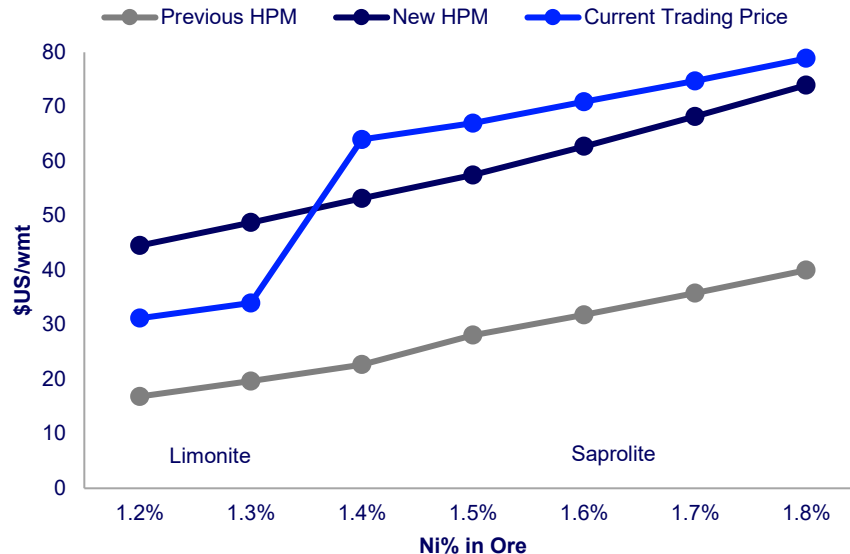
## RKAB regulation (nickel ore quota)

Pre 2023	Sep'2023	Dec'2025	2026
One-year approval process	Three-year approval process	2026 nickel ore quotas cut 379 to 250 Mwmt, a 34% reduction.	One-year approval process with 260-270 Mwmt range for 2026, and uplift from July revision.

Date	Quota, Mwmt	Source
1/10/2025	200	Initial government guidance
1/21/2025	260-300	Estimated approvals as of 20 Jan 2025 by SMM
1/23/2025	298.5	Approved RKAB as reported by APNI
2/4/2025	220-230	Estimated demand from MEMR
7/8/2025	364	Cumulative approvals by mid-year (APNI)
Late 2025	379	Final approved RKAB for the year
2/2026	260-270	Initial government guidance
4/6/2026	190-200	Estimated approvals as of 6 Apr 2026 by SMM
Mid-Apr 2026	230	Estimated approvals from Media

Source: Wood Mackenzie, Industry Reports

## New HPM: Implication for ore prices at \$US18,000 Ni price



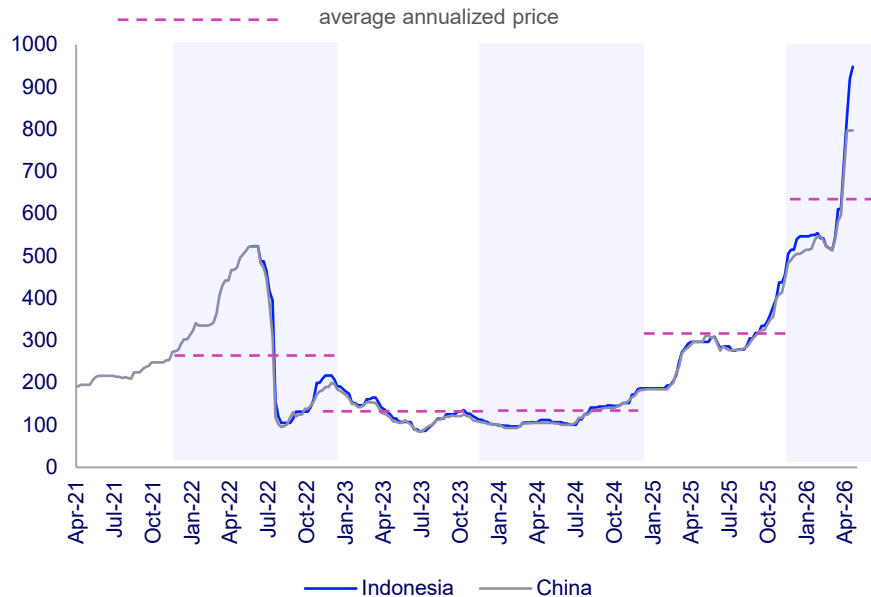
Source: Wood Mackenzie, MySteel



# The sulphur crisis from Middle East conflict to reshape nickel HPAL supply

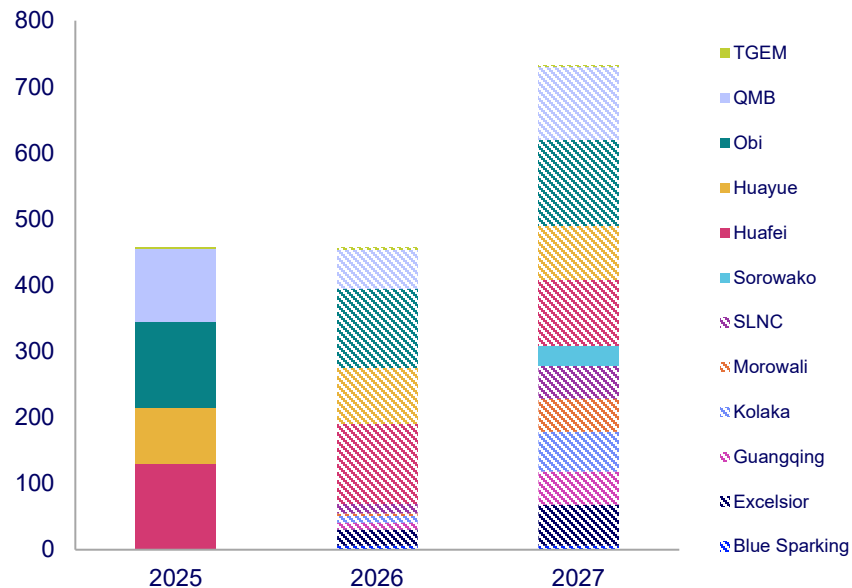
Rising sulphur prices have added cost pressures to Indonesian HPALs; with typical inventories of 1-3 months getting exhausted, sulphur supply pressures are expected to bite by late Q2; HPAL operations confirmed production cuts between 10-50% from May

### Granular sulphur prices, 2021-2026, \$/t



Source: the Argus Media Group, granular sulphur prices on CFR basis, spot deals

### Indonesia HPAL smelter output, kt Ni in MHP



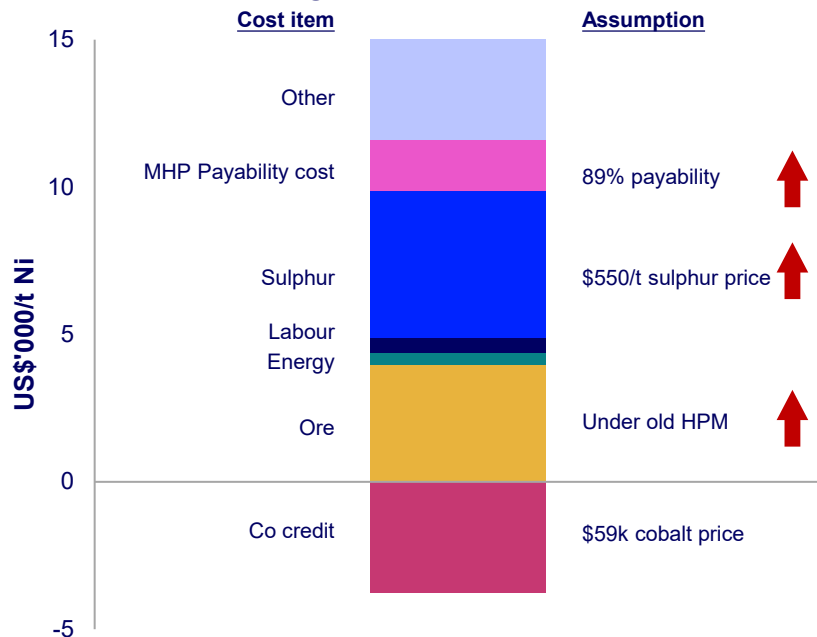
Source: Wood Mackenzie



## Can the increased cost be offset by other factors?

Strong cobalt prices and improved MHP payabilities provide partial offset, but overall cost impact hinges on sulphur price trajectory and implementation of the new HPM

### HPAL C1 plus sustaining cost breakdown

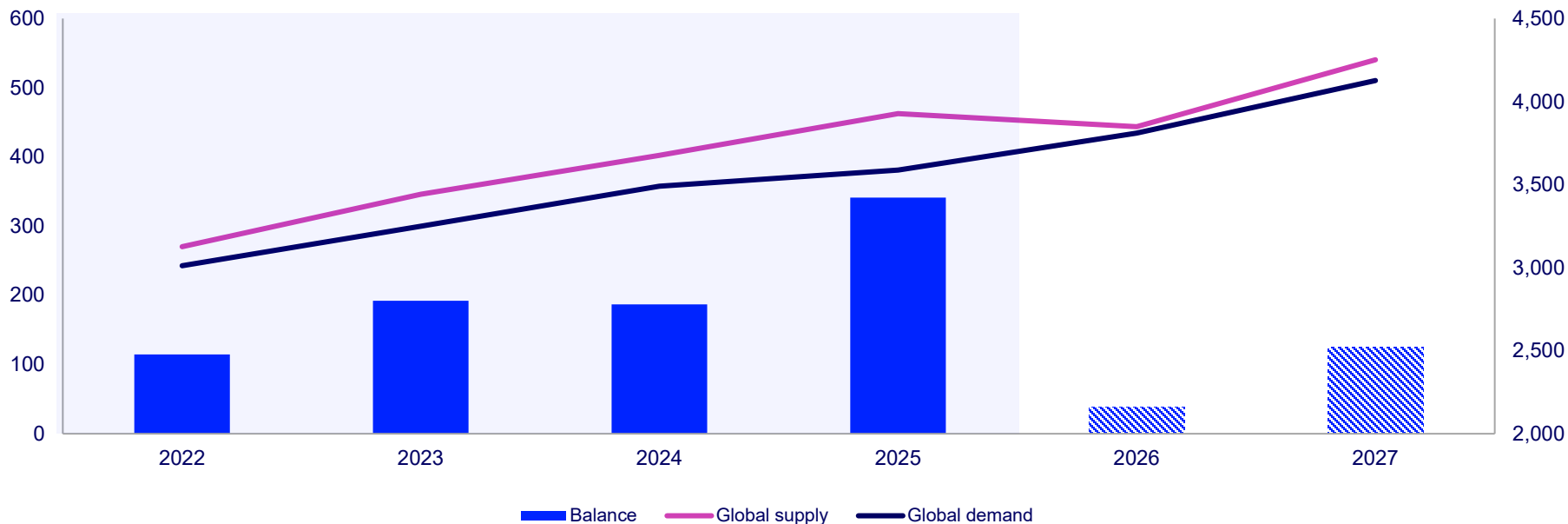




## Nickel outlook: a turning point from surplus to rebalancing or potential deficit

We forecast 6% growth in global nickel demand for 2026, driven by stainless and battery pCAM sectors in China and Indonesia. The supply-side “known unknowns” hold the key to the future nickel market outlook

**Global nickel market balance, kt Ni**



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