The Perth Critical Minerals Report (04.30.2026): Dysprosium's Price Drop Is a Mirage – Control of Supply Is Tightening

written by InvestorNews | April 30, 2026

NdPr Oxide dropped 7.4% to **$95.29/kg** this week, reversing its recent rally following the **$102.88/kg** peak in mid-April. Conversely, **Manganese Metal** rose **2.3%** to **$2.19/kg**, supported by the finalised **Australia-EU Trade Deal** targeting battery feedstock security.

Otherwise, the strategic commodities prices are steady aside from **Dysprosium Oxide** which has had a minor **increase of 2.7%** against a steady decrease over the past 12 months.

Strategic Commodities	USD/kg	AUD/kg	Weekly change (USD)	Weekly volume (t)	Trend
Lithium Carbonate 99%	$13.90	$19.36	0.1%	41.4	=
Manganese Metal 99.7%	$2.19	$3.06	2.3%	945.5	↑
Hafnium 99.9%	$2,303.24	$3,208.30	-3.9%	0.2	↓
NdPr Oxide 99%	$95.29	$132.74	-7.4%	1.4	↓
Scandium Oxide 99.99%	$872.15	$1,214.87	-0.2%	0.6	=
Gallium 99.99%	$230.03	$320.41	0.6%	1.0	↑
Dysprosium oxide 99.5%min	$179.48	$250.01	2.7%	0.7	↑
Terbium oxide 99.9%min	$778.67	$1,084.65	1.4%	0.5	↑

Data Source: PCMP - price tracking & analysis - www.perthcriticalminerals.com global data. Note these are volume weighted average industry APAC FOB prices. Contact us via sales@perthcriticalminerals.com for more volumes, records and corporate data.

Industry Insight: Is there a move away from dysprosium?

We noticed a substantial decline in the price of dysprosium oxide. Does this represent a shift in how the industry manages heat in permanent magnets?

Dysprosium oxide peaked at **$241.33/kg in April 2025** and has since fallen to **$172.31/kg** on PCMP's most recent assessed price, a decline of **28.6% over 12 months**. The sharpest leg of the sell-off occurred between December 2025 and January 2026, when the price dropped from $215.19/kg to $169.77/kg, a 21% fall in a single month. This week's APAC FOB volume-weighted average sits at **$179.48/kg**, showing a partial recovery from the January low but still well below the 52-week high. This softening is happening as manufacturers adopt "dysprosium-light" and "magnet-free" designs, but the price story is more nuanced than a simple substitution narrative.

What dysprosium actually does

Dysprosium sits at the intermediate stage of the rare earth supply chain between mined concentrate and finished metal. In commercial practice, dysprosium oxide is reduced to metal and added in small but critical quantities to neodymium-iron-boron (NdFeB) permanent magnets. The function is specific and difficult to replicate: dysprosium raises the coercivity of NdFeB magnets, meaning it prevents the magnet from demagnetising at elevated operating temperatures, typically 150 to 200°C. This matters for EV traction motors and wind turbine generators, where magnets operate under sustained thermal and mechanical stress.

This is a commercially deployed application at industrial scale, not an emerging use case. It is already embedded in the supply chains of major EV manufacturers and wind turbine OEMs.

Can it be replaced?

Substitution is the central strategic question, and the answer is… partially, but not fully, and not without cost.

Terbium is the closest functional substitute. Terbium oxide achieves a greater coercivity improvement per kilogram than dysprosium, but at a significantly higher price. PCMP currently tracks terbium oxide at **$778.67/kg** versus **$179.48/kg** for dysprosium oxide, a ratio of more than 4 to 1. In practice, manufacturers blend dysprosium and terbium rather than replace one with the other, optimising cost against performance at a given temperature grade.

Grain boundary diffusion (GBD) is the most commercially significant engineering response. GBD deposits dysprosium or terbium only at the grain boundaries of the magnet rather than uniformly throughout, reducing total heavy rare earth consumption by 30 to 50% per magnet without sacrificing coercivity. Major Japanese magnet manufacturers have deployed this at scale. This is the real substitution story: not replacing dysprosium with a different element, but using it far more efficiently.

Magnet-free motor designs that avoid heavy rare earth entirely, such as electrically excited synchronous motors, switched reluctance motors, and induction motors, are engineering-level alternatives. Several major automotive OEMs and tier-one suppliers are now scaling these designs, with at least two European volume manufacturers already using electrically excited synchronous motors in production vehicles and several more targeting 2026 to 2028 launches. These motors generate their magnetic field through electric current rather than rare earth magnets, eliminating the need for neodymium and dysprosium entirely. However, they carry performance trade-offs in power density and efficiency that currently limit their appeal in premium EV applications.

China’s dominance?

China controls an estimated 85 to 90% of global dysprosium production, concentrated in ionic adsorption clay deposits in its southern provinces. A significant share of feedstock also originates from Myanmar’s ionic clay mines, and intermittent border closures remain a persistent source of supply volatility.

In April 2025, Beijing imposed export licensing requirements on seven heavy rare earths including dysprosium, causing European prices to nearly triple within weeks. A temporary suspension of the most restrictive measures provided near-term relief, but that suspension is set to expire in **November 2026**, making it the single largest variable in the current price outlook.

This dominance is reflected in China’s official rare earth price index which reached 271.8 on April 27th, 2026, continuing a steady climb. The index is published by the Baotou Rare Earth Products Exchange and distributed through Xinhua-affiliated financial platforms, reinforcing that pricing is being stabilised at elevated levels rather than driven by open market forces.

As proven in the oil market and now being extended into new energy markets, **high prices are the best cure for high prices**. High prices have encouraged new Western separation capacity which is beginning to come online. Commercial-scale separated dysprosium oxide has now been produced outside China for the first time, and several facilities in Australia and the United States are targeting commissioning by late 2026 to mid-2027.

These facilities include a fully integrated rare earths refinery under construction near Geraldton (400km north of Perth), backed by a $1.65 billion Australian Government loan. It is targeting commissioning in 2027 and will be one of the few facilities

globally capable of producing separated heavy rare earth oxides including dysprosium and terbium. A second heavy rare earth project in the Kimberley region completed a US$60.5 million capital raise in late 2025 and is progressing toward development.

Strategic outlook

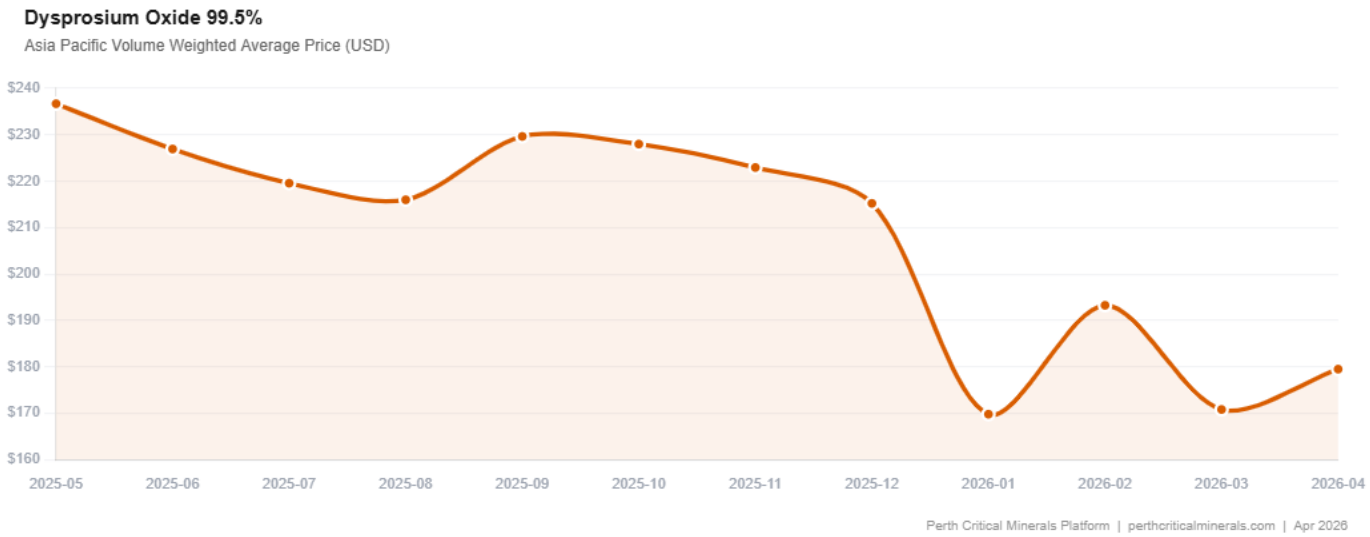
The dysprosium market sits at an inflection point. Global production was approximately 2,800 tonnes in 2025, with the market valued at an estimated US$950 million. Forecast growth of around 6% per annum to 2030 reflects both volume increases and sustained pricing above historical averages. Overall our forecast to 2050 shows very little change in inflation-adjusted price over the next 20+ years.

For portfolio exposure, the current $173 to $179/kg range does not necessarily signal a structurally bearish outlook. It signals a market that overshot on supply-fear premium in early 2025 and is now correcting. The structural demand case remains intact: EV traction motors and offshore wind remain the dominant growth drivers, and neither application has a cost-competitive substitute that eliminates dysprosium. The more relevant question is whether the current level represents fair value or overshoot to the downside. Given that Chinese production dominates global supply of separated heavy rare earth oxides, any renewed export licensing tightening by MOFCOM would transmit rapidly into price. The January spike-and-correction pattern from 2025 is likely to repeat in future policy cycles.

The divergence between light rare earths (NdPr oxide at **$95.29/kg**) and heavy rare earths (dysprosium oxide at **$179.48/kg**) continues to widen, reflecting tighter control over materials where supply concentration is highest. The three variables most likely to move pricing over the next 12 months

are the **November 2026 export control expiry**, Western facility commissioning timelines, and the rate of magnet-free motor adoption across the automotive sector.

The conclusion: dysprosium demand is unlikely to collapse, but per-unit consumption intensity is declining as GBD becomes standard practice. Long-term demand growth is driven by volume (more EVs, more turbines) partially offset by efficiency gains in magnet manufacturing.



Note: These prices reflect Asia Pacific FOB volume-weighted averages across multiple origin countries. They may differ from single-origin assessments (e.g. FOB China or CIF Europe) published elsewhere due to differences in methodology, origin mix, and delivery terms.

Corporate & Policy News

Australia and the EU finalised a landmark free trade agreement in **March 2026**, removing tariffs on almost all Australian critical minerals entering the EU. The agreement covers lithium, manganese, aluminium, antimony, tungsten, and rare earths, and builds on the 2024 Strategic Partnership on Sustainable Critical Minerals.

A proposed **US$835 million** rare earth consolidation deal was announced on **April 27, 2026**, targeting full ownership of a major Greenland rare earth deposit. The all-scrip transaction remains conditional on shareholder and regulatory approvals, with completion expected in H2 2026. The deal signals continued Western capital flows toward non-Chinese rare earth supply.

A major **Chilean** lithium producer reaffirmed in **April 2026** its expectation that **Lithium Carbonate** prices will settle between **$15 and $18 per kg** in 2026. Our current APAC FOB spot price of **$13.90/kg** sits just below this level.

The **United States** and the **EU** signed a Memorandum of Understanding on **April 24, 2026** establishing a Strategic Partnership on Critical Minerals. A separate Action Plan from USTR explores coordinated trade measures including border-adjusted price floors, standards-based markets, and stockpiling cooperation to reduce dependency on non-market economies for **rare earths** and **gallium**.

China's official rare earth price index rose to **271.8** on **April 27, 2026** (China Northern Rare Earth, product pricing). The index is administered by the Baotou Rare Earth Products Exchange, which now sets reference prices for the domestic market. This trend indicates a state-led effort to stabilise prices at elevated levels despite volatility in Western-aligned markets.

Strategic Outlook

NdPr Oxide (-7.4%) Prices corrected to **$95.29/kg** from last week's high. The market is reacting to consolidation activity in Western rare earth development, which may accelerate the timeline for new non-Chinese heavy rare earth supply.

Manganese Metal (+2.3%) The price rose to **$2.19/kg** on

significant weekly volume of **945.5 tonnes**. Improved market access under the new **Australia-EU trade deal** has created a positive demand signal for battery-grade manganese.

Hafnium (-3.9%) Prices fell to **$2,303.24/kg**. This follows a period of aggressive gains in the aerospace sector. Supply remains tight, but the current retreat suggests a temporary softening in immediate spot demand.

Dysprosium Oxide (+2.7%) Prices climbed to **$179.48/kg**, continuing the divergence between light and heavy rare earth elements. High-spec magnet applications in defence and robotics continue to support a premium for heavy oxides.

A note on what's next

The **Perth Critical Minerals Platform (PCMP)** carries the full picture — all 67+ minerals, updated continuously with 12-month price history and trend indicators.

Going forward, we're publishing **industry insights** on the trends and supply chain dynamics that matter — when there's something worth examining closely, not necessarily on a fixed weekly schedule.

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