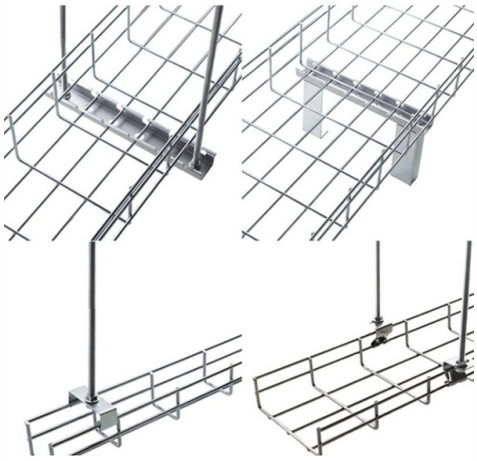
Will optical module prices rise recently



Overview

Why the Logic Behind Optical Module Price Hikes Is More 'Healthy'Guosheng Securities notes that the pricing logic for optical modules is more sustainable.

Key Takeaways

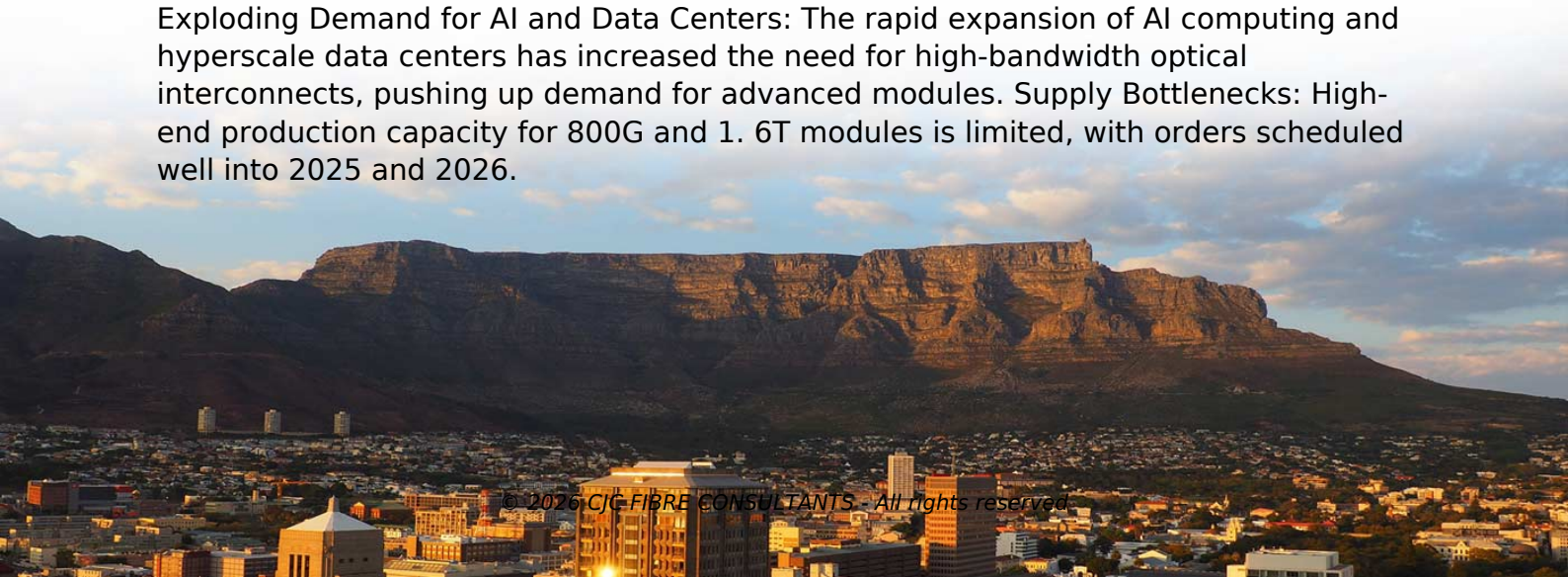
Yes, optical modules have seen significant price increases recently, driven by high demand, supply constraints, and rising raw material costs. Price Increases and Market DataHigh-speed optical modules, particularly 800G and 1. 6T models, have experienced sharp price hikes.

For example, the retail price of a 1. 6T optical module has risen from around $1,200 to over $2,000, an increase of more than 70%, with order backlogs extending into 2026. Similarly, 800G modules are currently priced 50%-100% higher than 400G modules due to technological upgrades and limited production capacity.

These increases are not limited to modules alone; optical fiber and related products have also risen globally, with some Chinese fiber prices surging over 80% between late 2025 and early 2026.

Factors Driving Price Growth

Exploding Demand for AI and Data Centers: The rapid expansion of AI computing and hyperscale data centers has increased the need for high-bandwidth optical interconnects, pushing up demand for advanced modules. Supply Bottlenecks: High-end production capacity for 800G and 1. 6T modules is limited, with orders scheduled well into 2025 and 2026.



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Advanced packaging and high-speed optical chip shortages further constrain supply. Raw Material Costs: Prices of key materials like indium phosphide (InP) have risen sharply, with 2-inch substrates increasing by 50%. Technological Iteration: Newer modules offer higher speeds and efficiency, allowing vendors to charge a premium while improving cost per bit transmitted.

Geopolitical and Policy Factors: Efforts to diversify supply chains and domestic subsidies for key materials have also contributed to short-term cost increases.

Market Outlook

Analysts, including Goldman Sachs, forecast continued growth in optical module demand, particularly for 800G and 1. 6T modules, with market value expected to reach $19. 37 billion in 2026, reflecting strong year-on-year growth.

Even if AI chip sales slow, the increasing ratio of optical modules per GPU/ASIC ensures sustained demand.

Summary

Optical module prices have increased significantly due to a combination of high demand from AI and data centers, limited production capacity, rising raw material costs, and technological upgrades. While unit prices are higher, the cost per bit transmitted often decreases, reflecting improved efficiency and performance. This trend is expected to continue in the near term, with supply-demand imbalances likely to persist through 2026.

Article Content

Why the Logic Behind Optical Module Price Hikes Is More ''Healthy''

Guosheng Securities notes that the pricing logic for optical modules is more sustainable: as specs advance from 400G to 1.6T, unit prices rise while cost per bit continues to fall. This ''tech-driven

The reasons behind the recent sharp price increase of optical modules ...

Costs are driving optical chip shortages and price increases. High-speed optical chips (such as those above 25G) are in short supply, leading to rising costs. The self-sufficiency rate for

Will the optical module continue to rise or come to a halt?

The bank stated that the share prices of leading optical module companies have seen significant gains over the past few months, and most positive fundamental factors have been reflected.

Market Rumors Surge: Trillion-Yuan Market Cap Leader Faces

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In the highly competitive global optical communications industry, relying exclusively on low-value-added optical module assembly operations has increasingly become a profitability bottleneck

Deep Dive: Optical Module Market

In terms of pricing, 800G LPO modules have been sold at around $600 this year, which is cheaper than single-mode conventional optical modules priced above $700 but more expensive

Rising Fiber Optic Prices and Supply Challenges: Cost Trends

Taking high-speed optical transceiver modules as an example, prices have been rising steadily since their initial market launch.

Who Will Dominate the Optical Module Industry? Key Players and

Recently, on January 16th, stock prices for optical module companies such as Tianfu Communication, Bocheng Technology, Deco, Zhongji Xuchuang, Xinyisheng, Liante Technology, and Accelink

Optical Modules

Our research indicates that demand for 400G/800G and even 1.6T optical modules for cloud data centers and AI training clusters has been accelerating over the past two years, with the

The Breakthrough Path for the Optical Communications Industry Amid ...

Rising raw material prices are being passed on from the cost side to business operations, and optical module manufacturers are facing the dual challenges of squeezed profits and supply

Optical Module Package Market 2025

The optical module market has become increasingly competitive, with average selling prices declining at approximately 15-20% annually for mainstream products. Chinese manufacturers have significantly

Optical Isolator Market in Crisis: The "Invisible Bottleneck" of the ...

Passive components, such as isolators, account for approximately 11% of the total bill of materials (BOM) cost for optical modules. With the explosive growth in demand for high-speed

Global AI Compute Investment Spurs Surge in Optical Module Market

Global AI compute investment drives optical module market to $23.8B in 2025, with forced upgrades to 800G/1.6T modules boosting Chinese companies and AI ETF performance.

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Deep Dive: Optical Module Market

Powering next-gen connectivity: How optical modules enable fast, reliable data transfer, and What are the opportunities for investors?

Optical Module Market Size, Competitors & Forecast to 2032

The Optical Module Market, valued at USD 30.01B in 2026, is projected to reach USD 66.94B by 2032, growing at a 14.1% CAGR.

Global Demand for Optical Module Chips Surges | Weyland

The global demand for optical module chips is experiencing a structural and explosive growth trend, primarily driven by AI computing, hyperscale data centers, and high-speed cloud

Solar Module Prices 2025: Complete Guide To Current Costs & Trends

Comprehensive guide to solar module prices in 2025. Current costs, market trends, buying strategies, and price forecasts. Updated with latest data.

Will the optical module continue to rise or come to a halt?

Citigroup recently raised its target price for Yi Zhongtian . The bank stated that profit-taking is inevitable after the sharp rise in Chinese optical module stocks since the beginning of the

Optical Module Package Market 2025

However, price sensitivity in developing markets often delays the adoption of premium optical solutions, and trade restrictions occasionally impact regional dynamics. South America In South America, the

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