

Aerospace & Defence Market Insight – 17–24 Sept 2026

Sep 24, 2026 · @Andy

Executive summary

Narrowbody output and the engine aftermarket are carrying aerospace, while widebodies stall and pure-electric aviation needs new money.

- **Narrowbodies carry the build rate.** Airbus delivered 475 aircraft and Boeing 418 to end-August. The 737 MAX is nearing a steady 42 a month, but the A350 cannot hold 6 a month and the 787 is erratic.
- **The aftermarket is running hotter than guided.** GE says CFM56 retirements are tracking at 1.5–2% against original 2026 guidance of 3–4%, with about 2,400 shop visits a year expected in 2026–27.
- **Hybrid-electric attracts orders and EU funding.** JSX firmed 50 Heart ES-36 aircraft, and Rolls-Royce Deutschland will lead the ELEVATED project with up to €290m of EU funding. Vertical Aerospace, meanwhile, has hired Jefferies to explore options.
- **Defence is pulling on high-temperature materials.** Honeywell launched a 40 kW F-35 cooling upgrade, and GE is assembling its XA102 adaptive engine with ceramic matrix composite hot sections.

Key themes

Theme	Direction	Evidence
Narrowbody production	Up	737 MAX nearing 42 a month; Airbus leads deliveries by 57 to end-August; about 10 years of backlog at both OEMs
Widebody production	Flat	A350 below its 6-a-month target owing to supply chain limits; 787 deliveries volatile
Engine aftermarket	Strong	CFM56 retirements 1.5–2%; GE expects double-digit removal growth in H1 2027
Hybrid-electric propulsion	Gaining momentum	Heart ES-36 firm order; ELEVATED hybrid-electric turbine demonstrator, ground test 2028

Theme	Direction	Evidence
eVTOL	Under funding pressure	Vertical Aerospace strategic review
Defence thermal and propulsion	Strong	F-35 cooling upgrade to 40 kW; XA102 CMC hot section; Tiberius Sceptre UK manufacturing plans
Composite qualification	Progressing	Hexcel HRH-10 honeycomb gets first public NCAMP database for a core material

Company and deal highlights

Date (2026)	Company	What happened
24 Sept	Vertical Aerospace	Hired Jefferies to review partnerships and transactions despite about \$100m of recent financing. Has about 1,500 Valo pre-orders; Critical Design Review targeted by end-2026.
23 Sept	Heart Aerospace	ES-36 unveiled: 36 seats, 200 km electric and 1,200 km hybrid range. JSX firmed 50 deposit-backed orders plus 50 rights. First flight 2H 2028, service entry 2031.
23 Sept	ST Engineering and Collins	Three multi-year component repair and spares agreements covering 787, A320 and 737 fleets.
23 Sept	Tiberius Aerospace	Sceptre ramjet artillery round (about 150 km range); UK MOD was the first customer; UK manufacturing planned.
22-24 Sept	Hexcel	At CAMX: HRH-10 honeycomb gains first public NCAMP core database; M901 fast-cure prepreg (4-5 minute cure) now made in Salt Lake City.
22 Sept	Honeywell Aerospace	P40 F-35 cooling upgrade: 32 kW to 40 kW, path to 62 kW+, fielding 2029-30.
18 Sept	Rolls-Royce	Leads ELEVATED hybrid-electric demonstrator; up to €290m EU funding; partners in six countries including the UK.

Date (2026)	Company	What happened
16 Sept	Forecast International	Analysis: widebody output has not grown in a year; A350 struggling to hold 6 a month.
14 Sept	GE Aerospace	Moving to assemble first XA102 adaptive engine for the US Air Force, with CMC hot section. GE has made over 100,000 CMC shrouds for LEAP.
Sept	GE Aerospace	CFO: "CFM56 retirements are really low"; shop visits about 2,400 a year in 2026–27.
9 Sept	Airbus and Boeing	August deliveries: Airbus 57, Boeing 51. Year-to-date gross orders: Airbus 1,157, Boeing 498.

Implications for advanced materials & HPP suppliers

Volume is in narrowbodies and the aftermarket; the new specifications are in hybrid-electric and defence thermal systems. These points are interpretation, not reported fact.

1. **Weight capacity plans towards narrowbody programmes.** 737 MAX and A320 family rates are rising while A350 and 787 stall, so widebody-heavy suppliers face flat volumes into 2027.
2. **Protect qualified aftermarket positions.** Low CFM56 retirements and multi-year repair deals mean spares demand stays high for legacy platforms.
3. **Engage early on hybrid-electric specifications.** ES-36 and ELEVATED need high-voltage insulation, thermal management and lightweight structures; specs are being set now for 2028–31 milestones.
4. **High-temperature materials are the defence story.** CMC hot sections and F-35 liquid cooling point to demand for materials that survive heat and shock.
5. **Qualification data is becoming a sales tool.** Hexcel's public NCAMP database lowers customers' qualification costs; public or shared allowables are worth considering.

Watch list

- Airbus September deliveries against its 870-aircraft 2026 target
- Outcome of Vertical Aerospace's strategic review
- ELEVATED consortium members and work packages
- GE 2027 shop-visit guidance at Q3 results
- UK site for Tiberius Sceptre manufacturing

Sources

- [Forecast International – narrowbody vs widebody production](#)
- [Forecast International – August orders and deliveries](#)
- [Business Wire – Vertical Aerospace](#)
- [Heart Aerospace – ES-36](#)
- [Aviation Week – CFM56](#)
- [RTX – ST Engineering and Collins](#)
- [ASDNews – Honeywell P40](#)
- [Rolls-Royce – ELEVATED](#)
- [Forces News – Tiberius](#)
- [CompositesWorld – GE XA102](#)
- [Textile World – Hexcel at CAMX](#)

All articles opened and checked 24 September 2026. Reuters and Janes were blocked.