

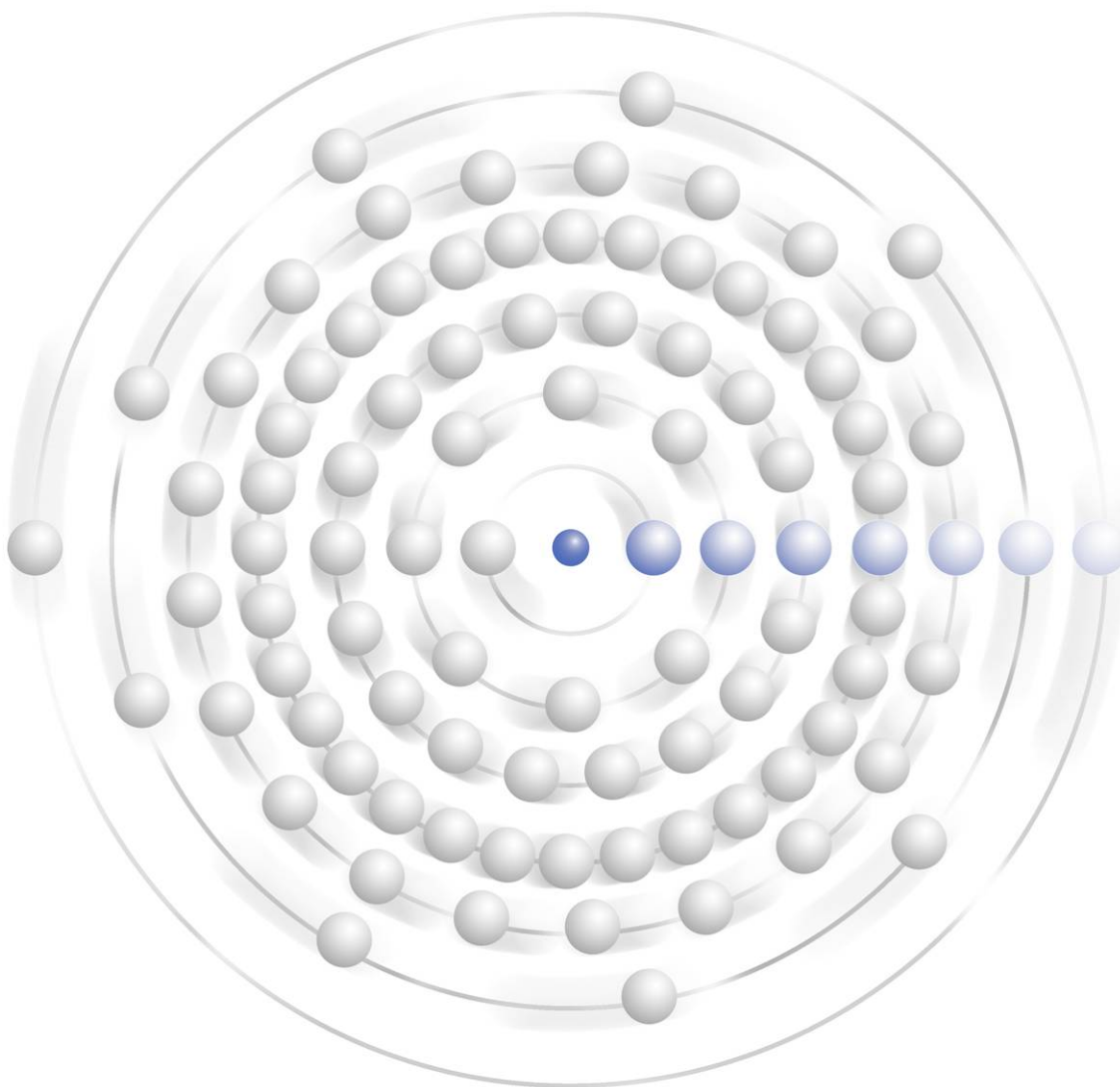


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# Uranium Market Outlook

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**Electronic Edition**



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## Introduction

*The Uranium Market Outlook* is organized as follows: The first chapter contains a topical essay that addresses key events and their potential impact on the market. This quarter's essay, "Uranium Politics," examines the impact of politics on the uranium market by focusing on both historical and recent developments in Kazakhstan, Niger, and Australia. In doing this, we incorporate results from our recent survey of the industry, which sought feedback on reactions to the Kazatomprom management shake-up, along with views on the geopolitical risk associated with uranium producing countries.

In **Chapter 2 – Uranium Contracting Review**, recent spot and long-term market activity over the previous quarter is reviewed, and current contract terms and conditions are summarized. **Chapter 3 – Requirements and Demand Outlook** looks at recent developments affecting reactor requirements in all of the world regional markets, along with a review of requirements forecasts. An updated view on uncovered utility reactor requirements is also presented. This section also examines the spot demand outlook over the next three years and the long-term contract demand outlook over the next 12 months.

**Chapter 4 – Production and Supply Outlook** reviews recent production developments worldwide and the current status of major world projects. Also examined are inventory sellers and potential spot supply over the next three years. **Chapter 5 – Near-Term Technical Analysis & Spot Market Indicators** presents a technical analysis of near-term price movements and a detailed update of the long-term spot price indicators, designed by UxC to quantify market factors that are affecting price outlook two years forward. This chapter also includes updates on activities and data from sources such as NYMEX, Tullett Prebon, and MF Global.

In the final chapter of this report, **Chapter 6 – Market Outlook and Price Forecast**, the market is analyzed in terms of one-year and intermediate-term perspectives, and ten-year forecasts are provided for the spot price. The near-term availability of supply by price, potential spot market transactions, market trends, and bullish and bearish arguments for price movements are also presented in this chapter.

The report contains two appendices. The first appendix, **Appendix A – Forecasting Methodology**, details the various methodologies used in this report to forecast price, supply, demand, and market price indicators. The second appendix, **Appendix B – Statistical Review**, contains tables and figures that provide additional and expanded data to those presented in the body of the report.

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## Conventions Used in the Report

Unless otherwise stated, quantities are given in millions of pounds U<sub>3</sub>O<sub>8</sub>e and prices in terms of US\$/lb U<sub>3</sub>O<sub>8</sub>. Price forecasts are presented in current (year-of-delivery) dollars.