



Enrichment Market Outlook



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Introduction

The *Enrichment Market Outlook* (EMO) is divided into six chapters. **Chapter 1** is a topical essay that focuses on important developments and trends in the enrichment market. This quarter's essay, "**Outlook for Urenco and Orano Capacity Expansions**" examines the supply gap that is projected to result from the reduction of Russian imports in the open market. The essay then analyzes the prospects for Urenco and Orano – the two main western suppliers – to fill this gap by expanding capacities in the coming decade.

Chapter 2 reviews recent contracting activity in both the spot and long-term enrichment markets and describes some of the key developments and trends based on recent transaction activity. **Chapter 3** updates world reactor demand projections and changes to SWU requirements on a regional basis. Demand is then further examined and an estimate of unfilled enrichment requirements over the next decade is discussed. The spot and long-term demand picture for the near term is also analyzed.

Chapter 4 examines the current state and future outlook for SWU supply, including an overview of each of the primary enrichment suppliers and the most significant secondary or inventory supplies of SWU and EUP. This chapter also reviews important policy issues affecting the market.

Chapter 5 presents a technical analysis of near-term price movements and a detailed update of the Long-Term SWU Price Indicator system.

Chapter 6 discusses near-term and long-term market fundamentals and the broader market outlook, provides bullish and bearish arguments as to where market prices could move over the next three years, looks at the longer-term market forces, and presents three scenarios of forecasts for base prices under long-term contracts.

The report contains two appendices. **Appendix A – Indicator System Methodology** details the methodologies used in this report related to SWU market indicators. **Appendix B – Statistical Review** contains expanded tables and figures in addition to those presented throughout the report. It is designed to be used as a standard reference source; providing both historical and current market data.

Conventions Used in the Report

Where annual quantities are given in tables, the years are shown on a calendar year basis as opposed to a fiscal year basis. Unless otherwise noted, quantities are expressed in terms of thousands of SWU and prices in terms of US\$/SWU. Price forecasts are presented in current (year-of-delivery) dollars.