

Uranium Market Outlook

Navigating Market Volatility

Rebalancing Supply to Demand



Over the last few months, the uranium market has experienced a significant shift, with the Ux U₃O₈ Price coming under upward pressure since bottoming at \$18 per pound in December 2016. The recent price rebound is in reaction to suppliers finally cutting significant production volumes in response to lower planned uranium demand from key countries - China, Japan, Germany, South Korea, Taiwan, and the U.S. - since 2011.

Significant primary production cuts did not occur until 2017, led by Cameco, Kazatomprom, and Orano. Outside of a small decline in 2014, last year marked the first meaningful reduction to primary production since 2011, as world production fell by 5% to 155 million pounds U₃O₈ from 162 million pounds U₃O₈ in 2016.

Additionally, in May 2018, Kazatomprom said it would further cut Kazakh production and Paladin Energy placed its Langer Heinrich mine on care and maintenance. Cameco followed suit in July 2018, announcing that it would indefinitely suspend McArthur River production, thus eliminating a significant amount of forward production. As more primary production is cut, and suppliers elect to purchase available lower-cost secondary supplies, spot prices are under upward pressure, which is further enhanced by the entry of financial players as buyers, especially with the recent Yellow Cake investment fund purchase of over 8 million pounds U₃O₈.

Meanwhile, the role that various trade actions in the U.S. and elsewhere could play in the market remains to be seen, but the added uncertainty of issues such as the recent Section 232 investigation may help to further propel uranium prices in the coming months.

Although reactor requirements are relatively flat through 2025, cuts to existing production, depletion of some existing mines, and the drawdown of secondary supplies are expected to contribute to higher prices going forward. Additionally, a number of long-term legacy contracts roll off over the next few years, so utilities may soon be focusing on securing new term contracts.

As reactor requirements grow over the long-term, new production will be needed. In addition to transitioning to a more production-driven market, a large component of production exists in regions of the world with higher geopolitical risk, making the market vulnerable to future disruptions and price volatility.

The UxC *Uranium Market Outlook* (UMO) report is designed to examine developments and discerning trends in the market, including the likely future course of prices under different scenarios. The entire report is updated quarterly so that subscribers have the most current information and analyses on which to base their decisions. Updates of leading market indicators are also provided on a monthly basis so you are never too out of touch with the market. A [table of contents](#) from a previous report has been provided for your review.



Special Issue Offer


Each quarter, UxC releases a new *Uranium Market Outlook* (UMO) that contains detailed up-to-date analysis on the uranium market. UxC makes available any individual report for sale as a stand alone report. In each UMO, [topical essays](#) are devoted to topics such as current market developments, major market events, and long-term market trends.

This quarter's essay, "U.S. Production Capability Amid Section 232" examines the ability of future U.S. production to meet different quota scenarios that could arise from a remedy in the ongoing Section 232 investigation by the U.S. Department of Commerce.

UxC makes this quarter's UMO available as a **special single report order** at a rate of **US\$5,000.00**. An [online order form](#) has been provided.

Please note that this special offer only covers this quarter's UMO report. It does not include services associated with a full year's subscription as discussed below: such as three additional quarterly reports, the monthly leading spot price indicator updates, and access to UxC's Subscriber Services website.

The *Uranium Market Outlook* is a quarterly report on the uranium market that examines recent and prospective spot and long-term contract market activity, supply and demand trends, supplier developments, and the outlook for prices over the short and long term. The UMO also includes a topical essay on important developments that are shaping the market and detailed findings from UxC's proprietary

indicator system that analyzes trends in key factors influencing future prices. UxC also includes uranium demand forecasts based on the proprietary UxC Requirements Model (URM). Please see our [product flier](#) in Adobe Acrobat PDF  format.

Standard Features

- An executive summary is provided with a concise overview of the current market situation. The executive summary is also e-mailed to subscribers.
- **Chapter 1** contains a [topical essay](#) that addresses key events and their potential impact on the market. [Examples of past essays are listed here.](#)
- In **Chapter 2 - Recent 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 the world's 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 secondary supplies projected to influence the market over the forecast period.
- Following the production and supply chapter is **Chapter 5 - Near-Term Technical Analysis & Spot Market Indicators**, which 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. Included with a subscription to the quarterly report are monthly updates of UxC's near-term price indicators, a predictive tool used to gauge potential spot movements two to three months forward.
- In the final chapter of this report, **Chapter 6 - Market Outlook and Price Forecast**, the market is analyzed in terms of a one-year and intermediate-term perspectives, and forecasts are presented for the spot price and long-term base price through 2035. The near-term availability of supply by price, 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.

Who should read this report

- Fuel buyers
- Policy makers
- Producers
- Investors

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