Commodities Tracker

Insights and Analysis on Commodities Markets

Authored by:
Kenny Zhu, CFA

May 2026

Nuclear Energy and Uranium

Key Takeaway

May marked the 1-year anniversary of the U.S. Executive Orders to Reinvigorate the U.S. Nuclear Base, which led to several key regulatory reforms and pilot programs. The market for nuclear IPOs also heated up this month, with Deep Fission, Inc. and NewCleo both kicking off their investor roadshows.

• U.S. SMR developer Deep Fission, Inc. and European advanced reactor developer Newcleo, both announced plans to go public in late May. Deep Fission is seeking $156 million to advance its deep-seam reactor design, where natural rock shielding and pressure could eliminate the need for extra containment structures, thereby reducing project construction costs.[1] Newcleo is pursuing a SPAC merger valued at roughly $2.4 billion to support its entry into the American power market while simultaneously funding its existing projects in Europe.[2] The company uses liquid lead as a coolant and mixed-oxide fuel from recovered plutonium, allowing it to potentially utilize used nuclear fuel in its reactors.

• This month marks the 1-year anniversary of the U.S. administrations executive orders to revitalize the U.S. nuclear energy industry, originally issued on May 23, 2025. According to UxC LLC, the orders have since greenlit the Nuclear Plant Pilot Program, led to the investment of roughly $2.5 billion into domestic uranium enrichment capacity, and kicked off national momentum in the Department of Energy's Nuclear Lifecycle Innovation Campuses.[3] In tandem, the orders seek to accelerate reactor testing, licensing reform, domestic fuel cycle investment, and SMR deployment.

PRICE ACTION

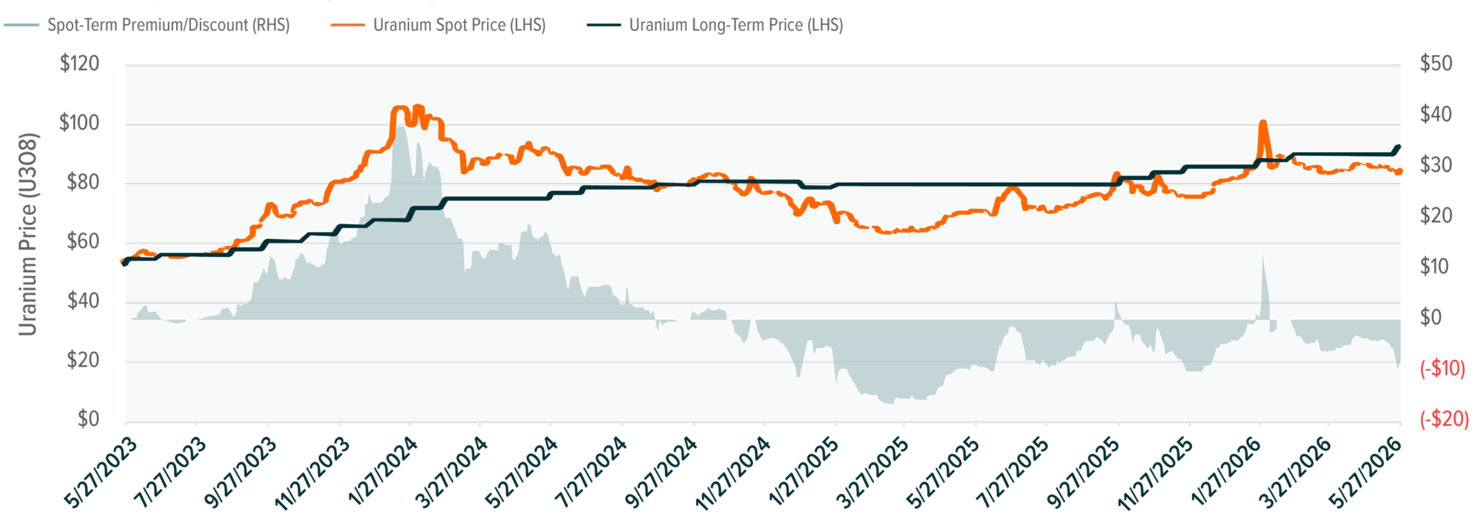
Interest rate volatility weighed on sector performance throughout May, with rising bond yields and a stronger dollar contributing to price swings across nuclear equities, which can be sensitive to project cost forecasts. On the fuel-side, moderate transaction activity across uranium spot and term markets prevailed despite ongoing volatility. The uranium term price rose to $93 while daily spot price fell to $83.35 as of May 25th

OUTLOOK

We believe the term price advance to $93 signals tightening uranium market fundamentals, while the proliferation of IPOs reflects growing momentum among nuclear startups to deploy new technologies. While interest rate volatility may continue to buffer sector performance in the near-term, we note that the industry's fundamentals remain intact. An easing of rate-related pressures via the timely reopening of the Strait of Hormuz may offer the sector its next catalyst, even as AI-related momentum and electrification continue to drive the structural narrative.

Uranium Term Prices Rose to $93/lb in May Despite Equity Market Volatility

Historic Uranium Spot & Term Prices May 2023 – May 2025



Source: Global X ETFs with information provided by UxC, LLC, (2026, May 25). Historical Ux Daily Price Data and UxC Historical Ux Month-End Price Data.

While equity prices were subject to broader market volatility in May of 2026, we believe that uranium markets are primarily influenced by supply/demand fundamentals and can move out of sync with equity markets. Uranium prices have largely maintained their upward trend since April of 2025.

Copper

Key Takeaway

Copper prices were driven by both supply and policy concerns, as sulphuric acid shortages raised questions about 2026 production and impending U.S. trade actions widened the COMEX-LME spread. Inflation-related uncertainty kept metals markets volatile throughout the month.

• COMEX-LME arbitrage re-emerged in May as copper markets began pricing in uncertainty ahead of the June 30, 2026 deadline for the Commerce Department's review of U.S. refined copper capacity, a report that could ultimately pave the way for phased tariffs on refined copper imports.[4] The COMEX premium to LME copper prices widened to as much as $448 per metric ton on May 22, following reports that Trafigura sought to withdraw hundreds of millions of dollars' worth of copper from LME warehouses, one of the largest withdrawal requests since 2013.[5] Similar tariff-driven dislocations earlier this year encouraged market participants to accelerate copper shipments into the U.S. in anticipation of potential import duties, drawing down overseas inventories and contributing to tighter global supplies and higher copper prices.[6]

• Sulphur prices have climbed over 50% since the start of the Iran war as a creeping shortage of sulfuric acid threatens to disrupt copper production. Sulfuric acid is a vital feedstock for around 22% of global copper output, primarily in operations involving solvent extraction and electrowinning processes. The disruption to the Strait of Hormuz impacts a little less than half of global seaborne sulphur trade, and these pressures have been compounded by recent Chinese restrictions on sulphuric acid exports.[7] Should disruptions continue to deteriorate, shortages could potentially impact copper production guidance in the months to come, as miners compete with fertilizers for feedstock.

PRICE ACTION

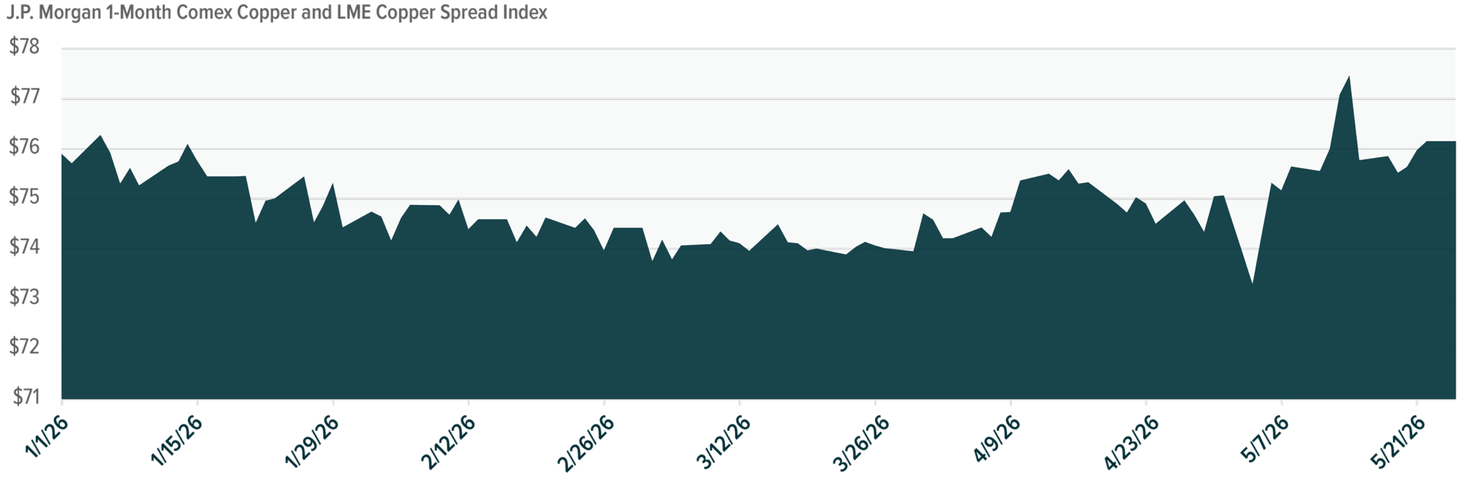
Copper prices bounced back in early May on supply-side tailwinds, but their advance was checked by mounting inflation fears which weighed on metals pricing. Copper futures prices consolidated near $13,500 per ton on May 21st, as mined supply shortages and strong feedstock demand from electrification conflicted with broader macroeconomic headwinds from the stronger dollar.[8]

OUTLOOK

June may see the copper arbitrage trade pressure international copper inventories. For context, the 2025 trend of copper arbitrage induced U.S. imports of refined copper to rise by 81% Y-O-Y in 2025.[9] June 30th also represents a key day for markets to monitor, as commodities traders watch the U.S. administration for guidance on potential refined copper tariffs. A timely resumption to trade flows via the Strait of Hormuz presents a potential positive catalyst, as it could ease the energy-related inflation pressures that have driven dollar-related headwinds for metals.

COMEX-LME Arbitrage Remerges Amidst an Impending Tariff Deadline

J.P. Morgan 1-Month Comex Copper and LME Copper Spread Index



Source: Global X ETFs with data derived from Bloomberg (2026, May 25). J.P. Morgan 1-Month Comex Copper and LME Copper Spread Index. Year-to-Date Prices.

The U.S. Secretary Commerce is expected to deliver an update on copper markets on June 30th, which may influence whether the U.S. decides to impose phased import duties on refined copper. This has led to an outflow of copper away from LME-based inventories and into U.S. exchanges.

Precious Metals

Key Takeaway

Gold and silver prices experienced heightened volatility in May as persistent inflation concerns and shifting interest-rate expectations weighed on investor sentiment. Silver faced additional pressure as industrial buyers stepped back following a period of stockpiling earlier in the spring.

• US lawmakers introduced the System Integrity through Licensed Vault Expansion and Resilience (SILVER) Act for consideration, seeking to expand the footprint of U.S. precious metal depositories across its four primary time zones. Most U.S. precious metal storage is concentrated within New York City; if approved, the SILVER Act would require depositories be selected in the Mountain, Pacific, Easter, and Central time zones to develop secure storage across western states.[10] The passage of this bill could potentially reduce storage/transportation costs and improve market liquidity for physical precious metals overall while reducing U.S. reliance on a single regional depository.

• Silver price moves were largely muted in May, as the April jump in demand from renewable stockpiling gave way to general demand erosion from industrial buyers and persistent dollar headwinds. Silver prices have generally drifted lower since hitting all-time highs in January, industrial demand has been eroded amidst historically high prices.[11] Industrial and technological applications for silver have historically accounted for more than half of total demand, rendering the metal more volatile and subject to fluctuations in supply/demand than gold.[12]

PRICE ACTION

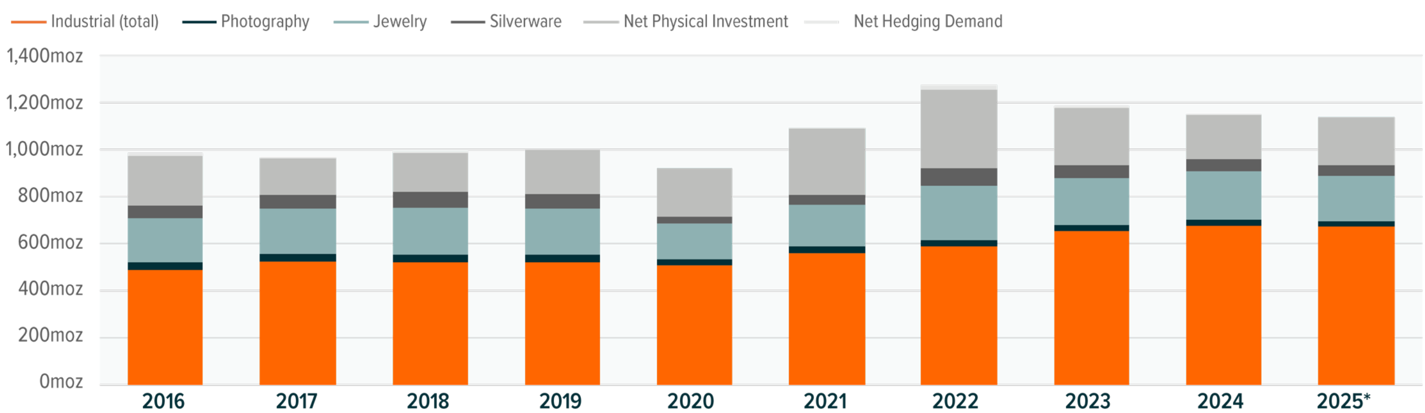
Gold and silver prices both drifted lower in May, declining to roughly $4,520 and $76 respectively, as of May 22nd. Interest rate volatility and burgeoning inflation risks were key headwinds weighing on precious metals performance, as markets eschewed non-cashflow producing assets in favor of a stronger dollar. We note that Q1 earnings for precious metals miners generated some of their best results in history, as miners leverage higher precious metals prices from the 1st quarter.[13]

OUTLOOK

While the overall metals complex has been weighed down by headwinds linked to the ongoing War in Iran, we believe a timely resolution to the conflict could mitigate these impacts and potentially return us to a positive uptrend which runs inversely to the performance of the U.S. dollar. The price correction experienced in precious metals also begets a decline in ETF buying, which may incur less volatility going forward. Should inflationary pressures recede, we could see precious metals resume their rally, particularly if contentious U.S. trade policy re-enters the zeitgeist.

Over Half of Silver Purchases Can be Attributed to Industrial Demand

Historic Silver Demand by Category: 2016-2025



Source: The Silver Institute (2025). World Silver Survey.

Unlike gold, silver prices are more sensitive to industrial and technological buying. While this can offer an additional tailwind from structural demand drivers like electrification, it can also incur greater volatility.

Critical Minerals, Battery Tech & Lithium

Key Takeaway

Tightening sulfuric acid supplies began to weigh on lithium hard rock production as the Strait of Hormuz closure lasts past its 3rd month. China continues to flex its rare earths dominance as a form of diplomatic leverage.

- Sulfuric acid costs have risen sharply following the outbreak of the Iran conflict, increasing from approximately 3% to 11% of hard rock lithium production costs. The continued disruption of traffic through the Strait of Hormuz, a key transit route for nearly half of global seaborne sulfur trade, has significantly tightened sulfur supply and driven sulfuric acid prices higher. As a critical reagent in lithium processing, sulfuric acid has become one of the largest variable cost inputs for hard rock producers. If shortages persist, elevated costs and limited availability could force some producers to curtail output, creating additional pressure on global lithium supply.[14]

- Reuters reported that China continues to leverage its control of the global rare earths supply chain, having cut off Japan from several heavy rare earths and raw materials for over 4 months. The timing of the export halt coincides with a dispute between the two nations over Taiwan policy, potentially illustrating Beijing's use of trade policy as leverage. Chinese export data show that shipments of dysprosium, terbium, yttrium oxide, and gallium have effectively been halted since December. The actions mirror a previous diplomatic incident in 2010 that led Japan to build stockpiles of rare earths and fund alternative producers such as Lynas Rare Earths.[15]

PRICE ACTION

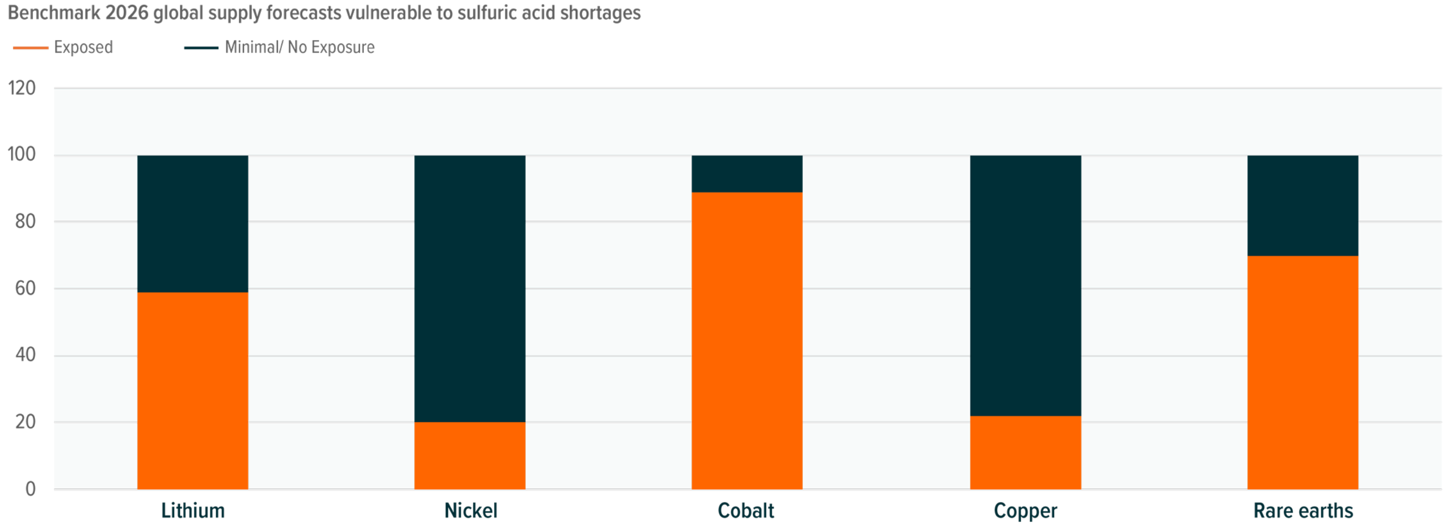
Battery mineral prices saw mixed action in May, with currency-related headwinds being counteracted by rising demand for battery storage technologies. Lithium prices fell from their April levels, weighed down by the potential for reduced demand from battery cell producers. Nickel prices grew slightly over the two-week period ending on May 20, due to improved demand for NCM batteries in May and elevated feedstock costs.

OUTLOOK

We remain optimistic on the persistence of supply-side tightness and accelerating demand growth for battery metals, including lithium, cobalt and copper. The biggest uncertainty remains the continued closure of the Strait of Hormuz, which may weigh on miner performance until a lasting resolution is achieved. Knock-on effects from trade disruptions also appear to be expressing themselves via the burgeoning shortage of sulfuric acid, which only threatens to tighten global metal output further.

Global Metals Production is Vulnerable to Sulphur Supply Shortages

Benchmark 2026 global supply forecasts vulnerable to sulfuric acid shortages



Source: Benchmark Mineral Intelligence (2026, May 28). Benchmark Supply Chain Data.

Analysis from Benchmark Mineral Intelligence shows that a significant portion of critical minerals production is vulnerable to supply shocks in sulphur and sulphuric acid reagents. Miners are reliant on shipments from the Middle East for acid supply.

FOOTNOTES

1. The Wall Street Journal (2026, April 23). America's First Commercial Nuclear-Power Projects in a Decade Just Broke Ground.
2. Ibid.
3. Reuters (2026, April 16). First new planned US nuclear reactors likely to get government loans, energy chief says.
4. Ibid.
5. UxC, LLC (2026, April 23). Ux U3O8 Price (Daily).
6. UxC, LLC (2026, April 20). Ux Weekly Vol. 40, No. 16.
7. The New York Times (2026, April 20). The Forces of Scarcity Hitting Asia May Soon Spread Across the World.
8. Chosun Biz (2026, March 11). South Korea boosts nuclear restarts, taps coal to brace for energy shock.
9. The New York Times. (2026, April 6). A New Oil Shock Accelerates a Return to Nuclear Power.
10. U.S. Energy Information Administration. (2025, April 24). The United States operates the world's largest nuclear power plant fleet.
11. Mining.com (2026, April 18). Copper price within sight of all-time high as Chinese smelters hit record activity.
12. Benchmark (2026, April 14). China to potentially ban sulphuric acid exports as Iran war pressures supply.
13. Ibid.
14. International Copper Association Australia (2026, April 24). Copper Weekly Brief – Week Ending 24 April 2026.
15. World Gold Council (2026, April 8). Gold Market Commentary: Anatomy of a fall.
16. Bloomberg (2026, April 20). China's Silver Imports Jump to Record on Retail and Solar Demand.
17. Reuters (2026, April 24). India gold premiums hit over 10-week high on tight supply; China demand rises.
18. Bloomberg (2026, April 20). China's Silver Imports Jump to Record on Retail and Solar Demand.
19. Ibid.
20. Benchmark Mineral Intelligence (2026, April 22). Chinese battery exports reach record highs in March as export rebate change comes into force.
21. Benchmark Mineral Intelligence (2026, April 21). USA Rare Earth acquires Serra Verde.
22. Benchmark Mineral Intelligence (2026, April 22). Lithium Price Assessment Weekly Update.
23. Benchmark Mineral Intelligence (2026, April 15). Tight supply and Chinese policy drive prices: Rare Earths Q1 2026 Price Review.

GLOSSARY

UxC, LLC: A nuclear fuel market research and analysis firm, which provides pricing, forecasting, and consulting services across the nuclear fuel cycle.

Uranium Spot Price: The prevailing market price for physical uranium available for immediate or near-term delivery, typically within 90 days.

Uranium Term Price: The agreed-upon contract price for physical uranium for delivery over 3+ years, often across multiple deliveries.

TRISO-X: Tri-structural isotropic particle fuel developed by X-energy for advanced fourth-generation nuclear reactors. The design is intended to make the fuel highly accident-tolerant.

COMEX Copper Price: The market price of copper futures contracts traded on the U.S.-based CME Group's Commodity Exchange (COMEX).

LME Copper Price: The market price of physical copper traded on the London Metal Exchange (LME).

Dysprosium: A rare earth metal used in advanced materials, best known for its role in high-performance magnets.

EXW China: Ex Works China which reflects pricing located at the selling point in China and where the buyer bears the costs of transportation.
