

## Nuclear Energy and Uranium

### Key Takeaway

A major financial buyer amassed nearly \$200 million for the purchase of physical uranium, sending spot uranium prices higher.<sup>1</sup> Positive sentiment on global reactor buildouts carried nuclear equities higher still.

Uranium equities continued to move higher in June, supported by Sprott Physical Uranium Trust's (SPUT) \$200 million in new financing to acquire physical uranium in the form of uranium concentrate and uranium hexafluoride.<sup>2</sup> Originally slated for \$100 million, the deal was upsized on the morning of its announcement in response to strong investor appetite, underscoring confidence in uranium's long-term fundamentals. Meanwhile, momentum among nuclear equities persisted on the back of continued regulatory reforms, with the Canadian Nuclear Safety Commission issuing a construction license for the Darlington New Nuclear Project, set to be the first commercial grid-scale small modular reactor (SMR) in North America.<sup>3</sup>

### PRICE ACTION

Spot uranium market activity remained elevated despite SPUT not initiating any uranium purchases prior to June 20th<sup>6</sup>

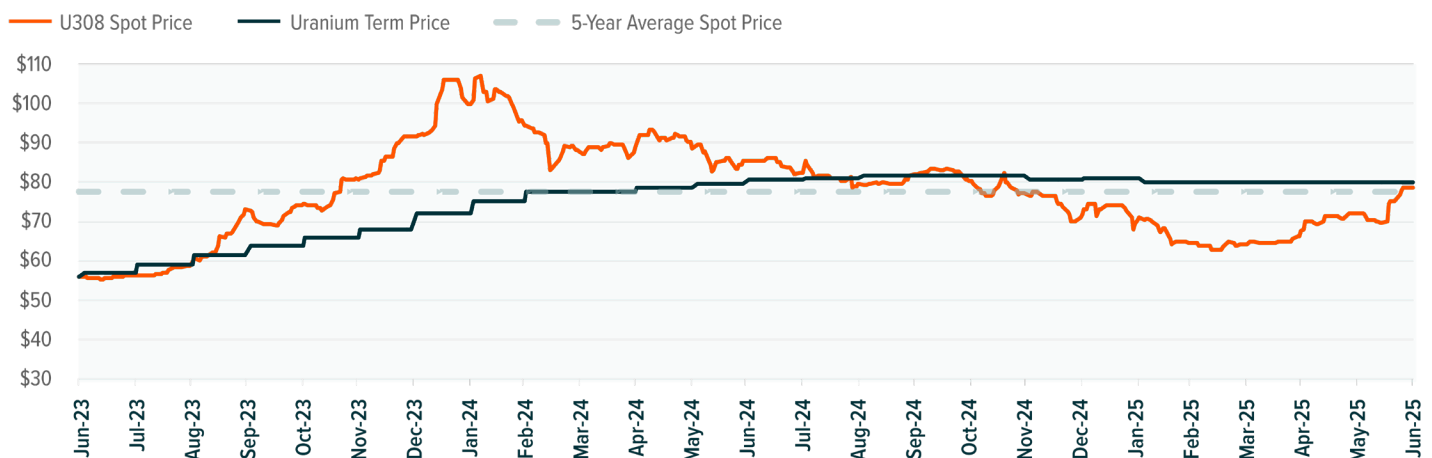
- Strong investor demand pushed spot prices as high as \$78.75/lb., their highest level since late November, and nearly erasing spot's discount to term pricing.
- Forward markets for uranium concentrate reached \$89.50 for 3-year contracts and \$97.00 for 5-year contracts, signaling strong long-term market confidence.<sup>7</sup>
- Long-term contracting activity remained subdued, with prices holding steady at approximately \$80. Few new requests for proposals were issued and no contract awards were reported during the period.<sup>8</sup>

### OUTLOOK

While some consolidation is possible, we think the path of least resistance for uranium & nuclear equities remains upward, as new power agreements between data centers and nuclear utilities continue to be inked. Policy support and private sector deals may continue driving momentum among nuclear industrials, with Western miners ramping up production in anticipation of improving supply/demand fundamentals. Geopolitical risks, particularly when it comes to EU and U.S. sanctions targeting Russian energy exports, could further boost the performance of uranium equities among Western domiciles.<sup>9</sup>

## Uranium Price Trends Reflect Strong Long-Term Supply/Demand Fundamentals<sup>4,5</sup>

Uranium Spot & Term Prices



Uranium prices under long-term contracts maintained their steady upward trajectory over the past few years, despite significant volatility in spot markets. We expect spot prices will continue trading within a range around long-term prices, with long-term contracts ultimately setting the course for markets.



## Base Metals and Copper

### Key Takeaway

The Trump administration stunned markets with 50% tariffs on copper imports into the U.S., double what markets had originally anticipated. This perpetuated continued COMEX-to-LME price arbitrage, as market participants sought to front-run potential tariffs.

COMEX copper prices rose as Section 232 tariff fears contributed to record high COMEX-LME spreads and tightening global supplies. London inventories drew down and shipped to U.S. warehouses, as industry participants attempted to both frontload and arbitrage copper duties that were set to take place on August 1st. Continued U.S. dollar weakness and resilient U.S. economic data further boosted copper mining equities.<sup>10</sup>

### PRICE ACTION

Copper prices accelerated their gains in June, with U.S. based COMEX prices advancing at a faster pace, as tariff-induced supply chain frictions drove markets.

- COMEX advanced ~7.46% MoM while LME prices rose ~5.17%, bringing their 1-year moves to +9.14% and -9.11%, respectively.<sup>12</sup> We think the divergence illustrates market sentiment regarding both mineral security concerns and tariff-related trade risks, reflected by the flow of copper shipments toward U.S. warehouses.
- We note that copper-miners outpaced both metals exchanges in June, gaining 9.17% MoM, a byproduct of their ability to leverage price movements through primary production.<sup>13</sup>

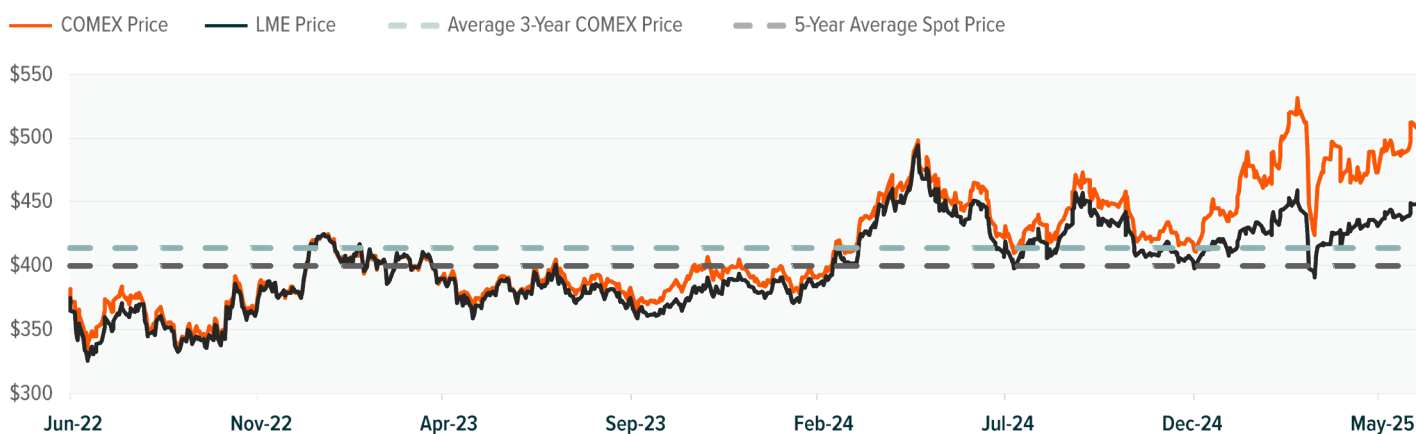
### OUTLOOK

The August 1st U.S. copper tariffs will likely boost copper mining equity performance in the short term by reducing competitive pressure from imports. However, markets may already be pricing in potential tariff exceptions, as the actual COMEX price impact has been roughly half of what the administration's tariff announcement initially suggested. Improved economic data from China and a weakening dollar have both provided support for copper pricing, though a potential pause in U.S. copper purchases after August 1st may lead to price consolidation.

We maintain a positive outlook heading into 2026, supported by persistent supply chain constraints and the potential for cyclical demand acceleration.

## COMEX-LME Price Premiums Reflect Tariff Expectations<sup>11</sup>

### COMEX and LME Copper Prices



COMEX futures were trading at a nearly 25% premium over LME prices by late-June, reflecting a double-digit divergence since the pre-tariff price surge. Physical copper flows have diverted toward the U.S. ahead of the expected tariff implementation window.



## Precious Metals

### Key Takeaway

The gold rally broadened into economically sensitive metals in June, with both silver and platinum outperforming gold. Trade fears, inventory drawdowns, and a recovery in industrial activity accelerated momentum among economically sensitive precious metals.

Gold prices fluctuated in June as trade uncertainty and policy risks kept markets on edge. Gold saw positive performance in nearly every month of 2025, extending the trend we observed in 2024. Meanwhile, positive momentum permeated into economically sensitive precious metals in June, with both silver and platinum handily outperforming gold MoM. Tightening inventories and dollar weakness drove momentum across both metals. Meanwhile, China's Central Bank released guidelines targeting domestic consumption, potentially extending stimulus beyond the manufacturing sector and sending industrial metals higher.<sup>14</sup>

### PRICE ACTION

Gold trading was choppy in June as geopolitical risks and policy actions clashed with risk-on sentiment among equities.

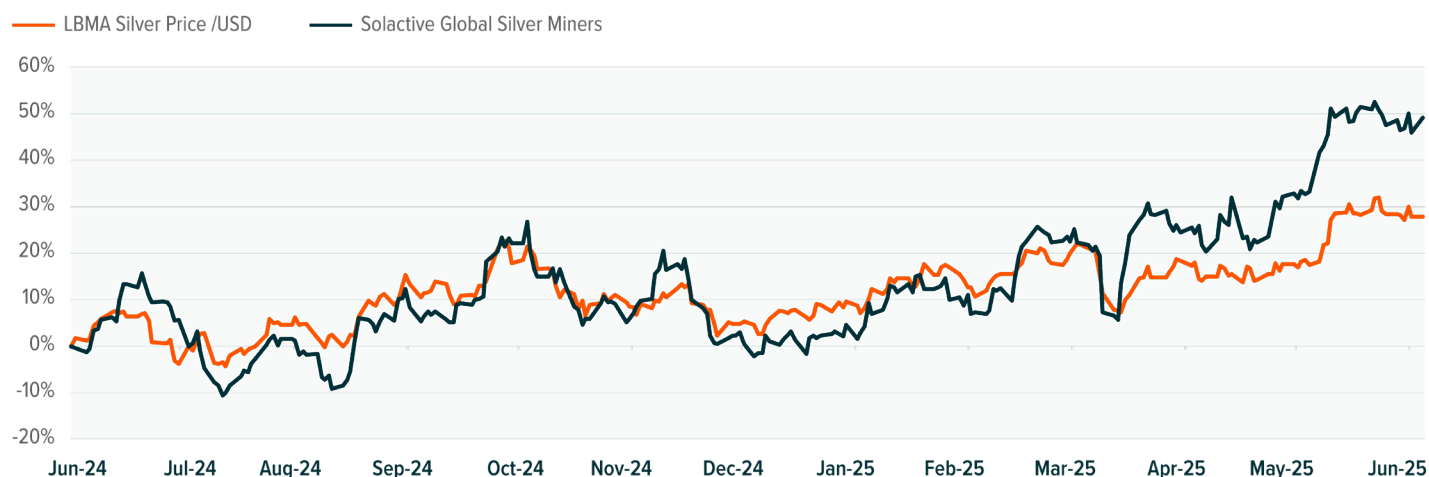
- Gold advanced 0.42% in June, although gold miners achieved stronger momentum as they leveraged heightened prices, rising 3.03% MoM in June.<sup>16</sup>
- Silver and platinum rose 8.11% and 14.59%, respectively, bringing their one-year gains to 34.29% and 55.96%, putting them among the best performing commodities in the first half of 2025.<sup>17</sup>
- Silver miners were also able to achieve leverage on positive momentum, advancing 11.98% in June and outpacing their underlying metal.

### OUTLOOK

A host of macroeconomic trends continue to buoy gold fundamentals, including central bank purchasing driven by de-dollarization efforts, ongoing dollar weakness, and broader geopolitical policy risks. Going forward, we think such pressures are likely to remain intact, potentially supporting gold prices near current levels, even as miners continue to benefit from the elevated price levels seen across the precious metals suite. Restricted inventories and a potential rebound in global consumption may drive medium-term performance among the more economically cyclical metals, including silver and platinum.

## Silver Miner Total Returns Outpaced Silver Spot Prices Year-to-Date<sup>15</sup>

LBMA Silver Price/USD and Silver Miners – 1 Year Total Return



Rising silver prices and supply challenges have allowed silver miners to raise their margins, leading to amplified equity returns relative to spot prices.



## Critical Minerals, Battery Tech & Lithium

### Key Takeaway

Lithium exhibited weakness through most of June before showing signs of recovery late in the month. Meanwhile, rare earth producers ratcheted higher on concerns over Chinese export controls, before reversing some of their gains following a U.S./China trade deal.

Lithium markets continued to be challenged by the paradox of persistent oversupply, despite double digit increases in consumption. Lithium demand rose 24% YoY in 2024 and is expected to rise an additional 12% per annum over the next decade.<sup>18</sup> The unveiling of several direct lithium extraction (DLE) projects at a late-June industry conference spotlighted the potential for the cost-cutting technology, rekindling interest in the sector. Chevron was also the latest oil major seeking to develop DLE assets in America's lithium-rich Smackover Formation.<sup>19</sup>

Meanwhile, fears of Chinese trade restrictions on rare earths exports drove momentum for rare earth miners in mid-June, with U.S.-based MP Materials outpacing international peers. However, the announcement of a Sino-U.S. trade deal extending rare earth shipments led to consolidation toward the end of the month.<sup>20</sup>

### PRICE ACTION

Benchmark lithium carbonate prices declined in June on continued oversupply pressures, before stabilizing near \$8,414 on June 30th.<sup>22</sup>

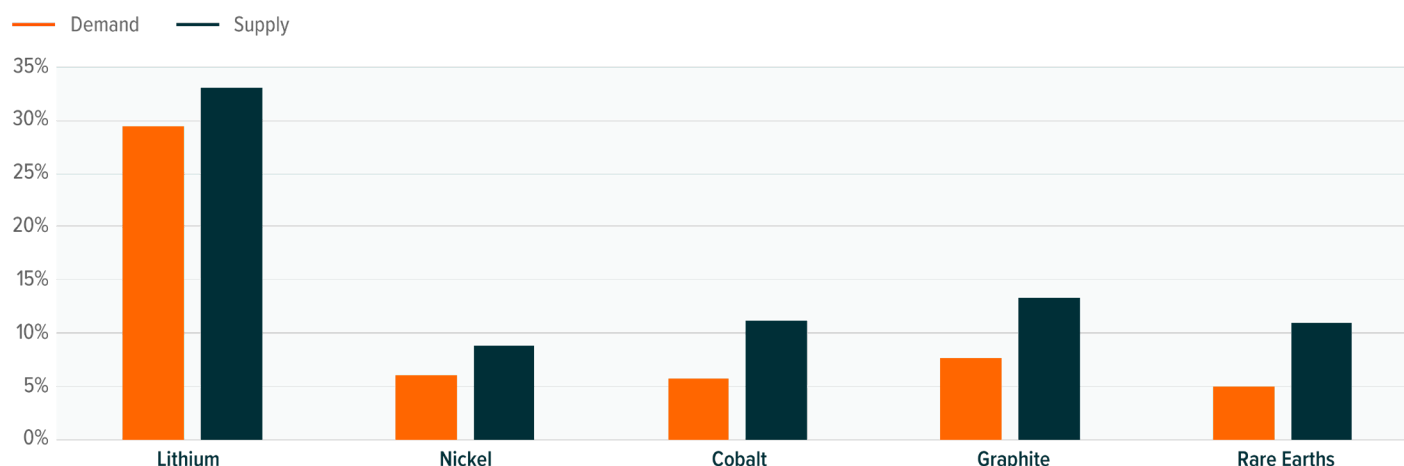
- Critical minerals experienced positive price momentum, following improved sentiment on Chinese pledges to curb supply excess.<sup>23</sup>
- Rare earth names delivered positive returns, with U.S.-based MP Materials representing a notable outperformer. Other critical minerals such as platinum, graphite, and copper delivered strong performance.

### OUTLOOK

Despite June's Sino-U.S. trade deal, we believe trade risks related to rare earth exports remain latent and may keep prices elevated in the near-term. Slight improvements in Chinese industrial activity alongside growing expectations of government stimulus make for an improving macro environment. Meanwhile, the resurgence of interest in DLE technology for lithium continues to drive momentum among battery tech names, while the mid-July shutdown of a major lithium mine supported momentum in this space.<sup>24</sup>

## Average Annual Demand Across Critical Minerals Grew Double-Digits from 2021-2024<sup>21</sup>

2021-2024 Average Annualized Supply & Demand Growth Across Various Disruptive Materials



Critical minerals experienced double-digit demand growth from 2021-2024, however, near-term oversupply weighed on prices. Rising global trade frictions and energy security concerns may reignite momentum in the coming years.



## FOOTNOTES

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14. Reuters (2025, June 25). China issues guidelines on financial support for boosting consumption.
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16. Bloomberg (2025, June 30). 1 Month Total Return. NYSE Arca Gold Miners Index.
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22. Benchmark Mineral Intelligence (2025, June 30). Daily Price Indicator, Lithium Carbonate EXW China.
23. Reuters (2025, July 16). China Vows to Address 'Irrational Competition' in EV Sector.
24. Reuters (2025, July 17). China lithium futures near 3-month high after Zangge announces production halt.

## GLOSSARY

**Sprott Physical Uranium trust (SPUT):** A closed-end investment fund which invests in physical uranium assets, primarily in the form of uranium oxide (U3O8) and uranium hexafluoride (UF6).

**Small Modular Reactor (SMR):** Nuclear reactors designed for power outputs of up to 300 megawatts and are intended to be smaller and more adaptable than conventional nuclear reactors, potentially bringing down their construction costs.

**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.

**Section 232 Tariffs:** U.S. import duties imposed on goods deemed to threaten national security.

**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).

**Direct Lithium Extraction (DLE):** A method of extracting lithium which uses adsorption, ion exchange, or solvent extraction to selectively isolate lithium ions, potentially resulting in faster recovery and reduced water usage.

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