Commodities Tracker

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Insights and Analysis on Commodities Markets

Nuclear Energy and Uranium

Key Takeaway

Uranium term contracting ticked up in July, even as spot markets pulled back on the seasonal summer lull. Regulatory momentum persists, as the Michigan-Based Palisades Nuclear Plant received its approval to return to operating status, paving the way for the first successful restart of a U.S. nuclear plant after decommissioning.[1]

Nuclear-related equities maintained strong performance through July, led by industrial and technology names, as global policy momentum persisted. In late July, the U.S. Nuclear Regulatory Commission (NRC) formally approved Holtec International's request to restart the Michigan-based Palisades Nuclear Plant, greenlighting the receipt of new fuel and potentially returning more than 800 megawatts of nuclear baseload power back to the Michigan grid having been shut down in 2022. Holtec's is targeting August 25th for the transition away from decommissioning status, with indications that the reactor may restart as early as Q4 of 2025. The company also noted it may potentially add two SMR-300 reactors to the site in the years to come.[2] The Palisades announcement is particularly noteworthy, as it could coincide with Holtec's plans to IPO in early 2026, which would be the nuclear power sector's biggest IPO in years.[3]

PRICE ACTION

July saw a noticeable pick up in term contracting activity, as tenders in both on-market and off-market transactions were logged. By contrast, spot markets ended the month with moderate activity and lower volumes, due to the seasonal summer lull.

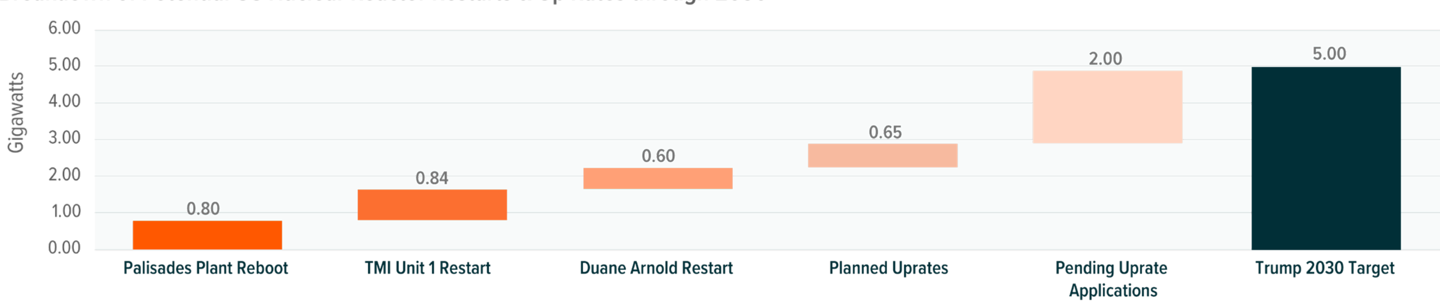
- Uranium term prices ticked up to $81 in July, following five consecutive months priced at $80, potentially reflecting the recent uptick in term contracting activity.[4]
- Spot activity remained muted during the seasonal summer low following June's jump in pricing, leading to limited price shifts and downward pressure on spot prices, resulting in a -9.52% month over month (MoM) impact on U3O8 spot prices, to $71.25.[5]
- Despite the muted pricing activity, UxC LLC (UxC), a leading market research and analysis company for the nuclear industry, reported that a rising proportion of contract terms continue to shift in favor of marketed-related pricing clauses, while base-escalated fixed contract terms shrunk in prominence, potentially signifying growing negotiating power for miners.[6]

OUTLOOK

Near-term consolidation is possible given broader tech sector volatility and shifting expectations for data center expansion. Geopolitical risks from U.S.-Russia negotiations could lead to volatility in names with outsized exposure to the U.S. nuclear fuel cycle, however, we think such knee-jerk reactions may be fleeting, given energy security remains a cornerstone of U.S. policy. We think structural tailwinds will likely continue to benefit the sector overall, and such volatility reinforces our confidence in a broad index-based strategy to sector exposure. We're particularly encouraged by recent developments related to the Palisades nuclear plant, given it represents the first step in a series of reactor restarts, capacity upgrades, and operating life extensions that could potentially raise U.S. nuclear power output by as much as 7% by 2030.[7]

Plant Restarts and Reactor Up Rates Could Reach Administration's 5 GW Goal by 2030

Breakdown of Potential US Nuclear Reactor Restarts & Up Rates through 2030



Holtec's reboot of the Pallisades Nuclear Plant represents the first step in a series of reactor restarts, facility upgrades, and operating life extensions that could increase U.S. nuclear power output by as much as 5 GW by 2030.[8]

Base Metals and Copper

Key Takeaway

The announcement of Section 232 tariffs collapsed COMEX-LME (Chicago vs. London Exchange) price spreads following the surprise exclusion of refined copper input materials, which make up most U.S. imports. The targeted action aims to encourage investment in domestic copper processing capacity.[9]

COMEX-LME price premiums unwound following the surprise exclusion of refined copper inputs (cathodes, concentrate, raw/semi-raw upstream materials used in smelters/refiners) from the 50% tariff on semi-finished copper and copper derivative products (wires, electrical components, semi-finished products consumed downstream by industry). Although tariffs were expected in some form, the exclusion of refined copper inputs was a particular surprise. Markets may have expected final terms closer to a blanket tariff on all copper-related materials and had been steadily diverting shipments toward the U.S. in the months leading up to the announcement. The reveal benefited U.S. industry as well as heavy industrial users of copper inputs, while potentially prompting greater domestic investment in copper refining, fabricating, and smelting.[10]

PRICE ACTION

U.S.-based COMEX copper prices returned -23.7% in the last week of July, bringing its performance to -13.4% for the month (sequentially), although performance remained positive year over year (YoY) at +4.35%.[11]

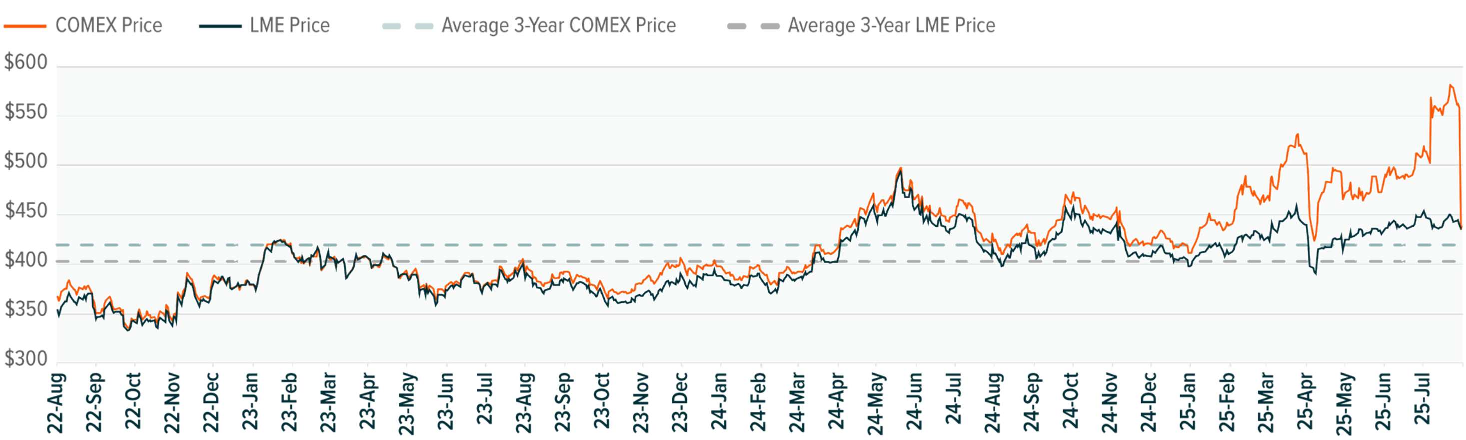
- Relative to COMEX's decline, London-based LME prices returned a modest -1.8% in the last week of July, bringing MoM performance to -3.4%.[12]
- Taken together, COMEX-LME price spreads evaporated following the announcement of section 232 tariff specifics, with the surprise essentially eliminating the U.S. price premium.

OUTLOOK

July's U.S. policy actions effectively sent copper prices back to where they were at the beginning of the year, however we believe the announcement resolves a key source of market uncertainty and allows copper to resume trading on its fundamentals, which have largely remained nascent year to date (YTD). Copper continues to reflect a tightening deficit forecast, even as the global cost curve for production remains near $3 per pound, providing a supportive environment for copper miners as they continue to generate cash at current levels and remain well-positioned to leverage any potential rebound in prices.

COMEX-LME Price Premiums Dissipate Following Announcement of Copper Tariffs

COMEX and LME Copper Prices



The surprise exemption of refined copper inputs from blanket section 232 copper tariffs eliminated a source of COMEX-LME speculation that had been steadily building up for several quarters, allowing global copper prices to resume trading on fundamentals.

Precious Metals

Key Takeaway

Tailwinds from tariff uncertainty and rising inflation expectations were counterbalanced by the drag on metal pricing from dollar strength, leading gold and silver to finish the month flat. Favorable supply/demand dynamics and yet unresolved trade frictions may argue for a supportive environment into the second half of the year.

While precious metals largely traded flat in July, given countervailing currency and growth fears, underlying central bank buying persisted in the form of another 166.5 tons of gold bought over the second quarter, bringing total YTD purchases up to 415 tons, versus 411 tons during the first quarter of 2024.[13] Total gold demand rose 3% YoY and 6% QoQ in the second quarter, approximately matched by a 3% YoY increase in supply, driven by rising mine production and recycling activity.[14] Silver saw its advance checked by weakening economic data out of China and the U.S., with tariff uncertainty ultimately weighing on its industrial demand. Despite the cloudy near-term outlook, structural deficits continue to support the global silver outlook, with the market recording its fifth annual supply shortfall and a limited number of primary silver mines sapping production's ability to ramp-up.[15]

PRICE ACTION

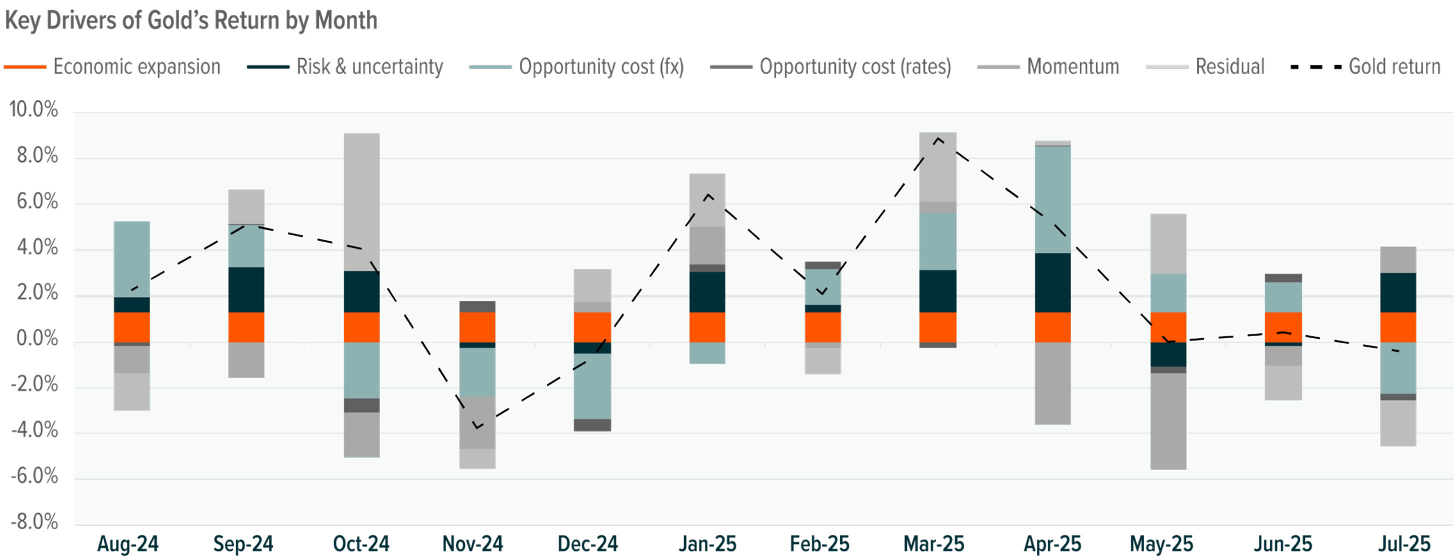
Macro impacts ruled the precious metals narrative, with dollar strength counterbalancing tariff uncertainty and rising inflation expectations, balancing out with muted gains.

- Gold was roughly flat, advancing just +0.11% MoM, while silver saw a modest +1.66% uptick in July, leading to a relatively flat period of returns following strong performance in Q2.[16]
- Volatility hit gold prices for a brief period in early August before the U.S. administration's clarified that it would not impose tariffs on gold bars, causing prices to revert.[17]

OUTLOOK

We think economic risks and geopolitical uncertainty continue to rule the outlook for precious metals, potentially encouraging further buying activity at the ETF and retail level. Possible rate cuts in the second half of the year from the U.S. Central Bank, accompanied with potential weakening in the dollar, could further empower precious metals performance going into the end of the year. With the uncertain macroeconomic outlook, we think precious metals continue to offer an attractive source of diversification in the current market despite recent rangebound performance. However, risk factors remain in the form of more attractive relative value opportunities, should economic data surprise to the upside. We bias toward miners in this environment, given their ability to benefit from continued production at elevated prices, should metals prices remain rangebound at these levels, however mine execution risks and potential margin compression present latent headwinds should prices decline.

Gold Price Gains Were Muted in July, Sapped by a Stronger U.S. Dollar[18]



Momentum and economic uncertainty were the key positive contributors to performance in July, balanced out by the negative impacts of near-term dollar strength.

Critical Minerals, Battery Tech & Lithium

Key Takeaway

Lithium prices jumped in July and early August as potential Chinese mine closures drew global attention. As many as eight lithium mines across China's prolific Jiangxi Provence remain under investigation for potential permitting issues, further supporting strong positive price momentum amid a potential tightening of the market.[19]

Lithium-related names saw strong performance following the ordered shutdown of Zangge Mining's Qinghai operations for non-compliance[20] and CATL's halted production at its Jiangxiawo mine, which collectively brings down as much as 6-8% of global lithium production capacity for at least three months.[21] Buyers stepped in across global lithium markets, speculating that the shutdowns may be the latest in a series of anti-involution policy actions by Chinese regulators to target rampant overproduction in its industrial sector.[22] While lithium prices will likely continue to be impacted by an oversupply in the market, a prolonged suspension at Jianxiawo or additional mine suspensions could lead to an accelerated return of a lithium supply deficit within the next few years, versus a base case of 2029.[23] Leading up to June, Chinese lithium miners had largely managed to defy mine closure expectations by absorbing losses via vertical integration across the value chain, resulting in oversupply and evaporating margins for global lithium suppliers. Should the closures last to year-end, they could take as much as 20,000 tonnes of lithium off the market, thereby supporting upward momentum for lithium prices.[24]

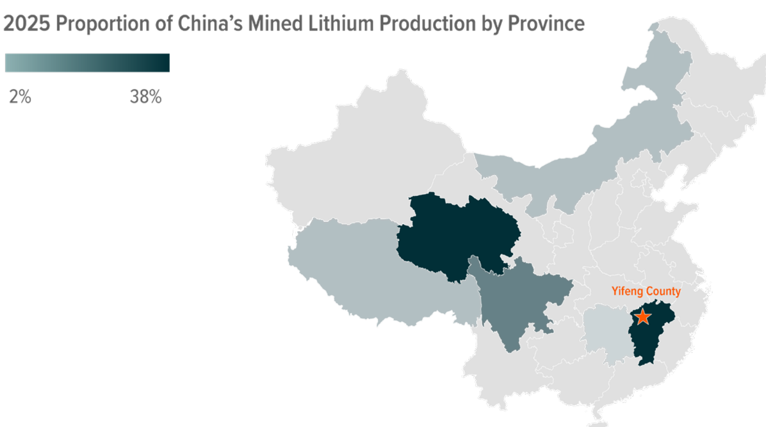
PRICE ACTION

Lithium carbonate prices spiked in July into early August, following shifting supply forecasts due to mine closures.

- Lithium carbonate prices rose +13.2% MoM, bringing their total gain to nearly +15.2% from their June lows.[25]
- While there's no immediate tightening impact due to persistent oversupply, recent mine closures have led to more balanced supply forecasts going into the end of 2025, raising prices from their lows.

Jiangxi Province is Forecast to Account for 38% of China's Mined Lithium Output in 2025[29]

2025 Proportion of China's Mined Lithium Production by Province



OUTLOOK

July's price action confirmed our view that lithium pricing was unsustainable at the ~$8,500 lows seen in June. Benchmark Mineral Intelligence estimated that nearly 30% of hard rock producers and 40% of chemical producers were producing lithium below cost at the end of July.[26] Going forward, we're cautiously optimistic on the trajectory for lithium prices, given improving supply dynamics. However, we recognize that lithium markets remain in surplus territory despite the recent supply shocks, leading us to believe that these shifts reflect a healthy rebalancing following overextended bearishness, rather than an outright transition into deficit. We think further confirmation from measured Chinese policy actions could lend confidence to our outlook. We note that in mid-July, the Yichun National Resource Bureau published an official audit noting issues with permit approvals across eight lithium mines in Jiangxi province.[27] As China controls nearly 25% of global lithium mining capacity, with the affected Jiangxi Provence accounting for over one third of Chinese national output, this could potentially incur further supply shocks for lithium markets.[28]

China's national audit of its lithium mines noted permit issues with eight mines across Jiangxi Province, its most prolific region for lithium production.

FOOTNOTES

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26. Benchmark Mineral Intelligence (2025, July 31). Why This Lithium Market Isn't Like 2020 – and Why Closures May Never Come.
27. Benchmark Mineral Intelligence (2025, July 17). Eight lithium mines in Yichun, Jiangxi found to have permit issues.
28. U.S. Energy Information Administration (2025, May 21). China dominates global trade of battery minerals.
29. Benchmark Mineral Intelligence (2025, July 17). Eight lithium mines in Yichun, Jiangxi found to have permit issues.

GLOSSARY

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).
