Commodities Tracker

Insights and Analysis on Commodities Markets

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Nuclear Energy and Uranium

Key Takeaway

Momentum accelerated on both sides of the pond, as the U.K. and U.S. penned a deal to strengthen cooperation on nuclear power. Meanwhile, uranium miners rallied after U.S. Energy Secretary Chris Wright hinted at the expansion of the strategic uranium reserve.

The U.S. and U.K. signed the Atlantic Partnership for Advanced Nuclear Energy, a landmark agreement that includes five advanced reactor deals and a pledge to end reliance on Russian nuclear fuel by 2028. The partnership allows for the fast-tracking of reactor design reviews that have already passed safety tests in one country, helping to avoid duplication of efforts and aiming to cut the time required for reactor approvals[1]. This agreement directs policy efforts toward reducing the time and cost of expanding nuclear power output and is particularly notable in its international scope. This month's policy announcements concluded with remarks from U.S. Energy Secretary Chris Wright, who underscored the need to expand the U.S. strategic uranium reserve to reduce reliance on Russian exports and bolster confidence in nuclear power. For context, the U.S. currently holds an average of 14 months of uranium fuel in inventory, compared with 2.5 years in the EU and 12 years in China[2]. While no guidance was provided on the scale of the increase, Wright suggested the reserve could be scaled up as more reactors are built, sparking a strong rally among uranium miners.

PRICE ACTION

Following a muted start to September, uranium spot prices resumed their rally as market participants returned from attending the World Nuclear Association (WNA) symposium in London. Prices climbed as high as $76 on sentiment fueled by the Atlantic Partnership Agreement and the potential expansion of the U.S. Strategic Uranium Reserve.

- Uranium spot prices drifted through early September on weak contracting activity, as most traders were away for the week-long WNA symposium. Only 1 million pounds of U_3O_8 equivalent changed hands through the 2nd week of September, well below the decade-long average of 6 million lbs. Policy tailwinds lifted sentiment as market participants returned mid-month, pushing prices back to the ~$76/lbs. level[3].

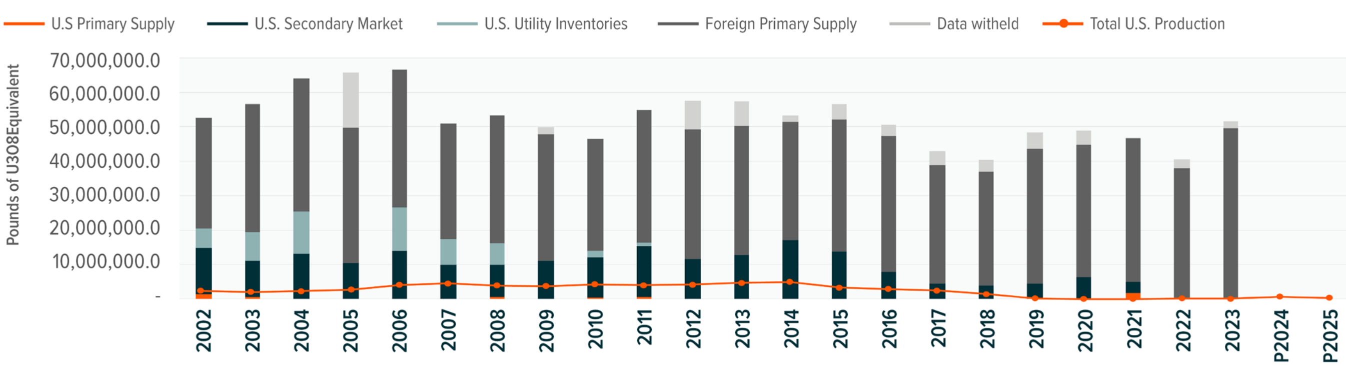
- While term markets were generally quiet, new formal demand emerged as several utilities advanced discussions for a mix of mid- and long-term delivery contracts, raising the potential for deal awards heading into the Autumn season, when uranium contracting often sees a seasonal uptick. The term price held steady at $81/lb at the end of August[4].

OUTLOOK

We see potential for continued policy momentum heading into year-end, as the U.S. administration advances trade negotiations with foreign partners. U.S. energy exports were a central feature of the July 28th trade deal with the European Union, and we believe uranium fuels and nuclear components are among the most likely drivers of future export agreements[5]. The steady stream of announcements from the administration continues to reinforce our confidence in advanced reactor developers and companies engaged in the domestic nuclear fuel cycle. While September saw limited uranium contracting activity, the return of utilities to the negotiating table is encouraging and suggests the potential for increased contracting during the Autumn months.

The United States Relies on Foreign Imports for the Majority of its Nuclear Fuel

Uranium Purchased by U.S. Civilian Nuclear Power Reactors and Total U.S. Production of Uranium Concentrate



Source: U.S. Energy Information Administration. (2024, June 6). Uranium Marketing Annual Report.

Imports accounted for 99% of the Uranium Concentrate (U3O8) used in 2023 to make nuclear fuel. The U.S. Department of Energy recently received $2.7 billion in funding to help revive domestic fuel production, undescoring the opportunity for U.S.-based miners[6].

Base Metals and Copper

Key Takeaway

Copper prices rallied following supply disruptions at Freeport McMoRan's Grasberg mine, the world's second largest copper operation. At the same time, a wave of deals highlighted the sector's positive long-term outlook, with the Anglo American-Teck merger standing out as one of the largest mining deals in history.

A mud flow incident at the Grasberg mine trapped several workers, forcing operations to halt while evacuations were carried out, leading to the temporary disruption of a mine that produced over 816,000 tonnes of copper in 2024[7]. September also saw a flurry of deals among major copper miners, underscoring strong conviction in the metal's long-term prospects. Notable transactions included BHP and Lundin Mining's $400 million joint venture in Argentina[8], Anglo American and Codelco's $5 billion joint venture in Chile, and Anglo-American's $53 billion merger with Teck Resources. The Anglo-Teck deal was particularly notable, as it positions the combined entity as the world's fifth largest copper producer and ranks among the largest mergers in mining history[9].

PRICE ACTION

Copper prices climbed to a 15-month high in mid-September, supported by interest rate tailwinds, deal momentum, and strong Chinese demand, which rose 10% in the first half of 2025, according to Zijin Mining Group[10].

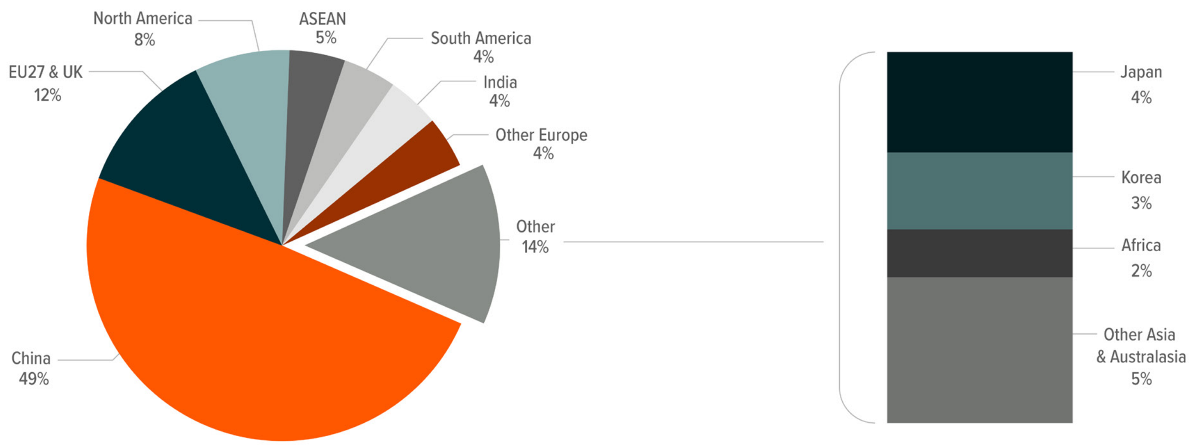
- U.S.-based COMEX copper prices were up 1.6%, while London LME prices rose 3.1% MoM as of September 12th, bringing their YoY performance up to 7.9% and 7.4%, respectively[11].

OUTLOOK

We're encouraged by the acceleration in deal-making among major copper miners, which underscores strong long-term conviction in the sector. These transactions allow miners to achieve cost synergies and economies of scale without the risks associated with large greenfield investments, of which there are few. Meanwhile, rising consumption among Chinese smelters continues to cement China's dominance in the industry, driven by stronger-than-expected exports and growing investments in the nation's power grid, and leading to upward revisions in copper demand forecasts. If current trends persist, we believe currency tailwinds and lower interest rates could provide further support for copper miners into year-end.

Improving Chinese Activity Boosts the Outlook for Global Copper Demand

2023 Global Copper Demand by Region



Source: Statista. (2024, September). Demand for copper worldwide in 2023, by region.

China dominates global copper consumption, given rising investments in electrification and the dominance of Chinese smelters. Copper consumption in China rose 10% YoY in the first half of 2025, lending confidence to a potentially improving macro outlook[12].

Precious Metals

Key Takeaway

Precious metals extended their rapid advance, as economic data fueled expectations for lower interest rates and a weaker U.S. dollar, strengthening the argument for holding hard assets. Gold breached its all-time high, while silver surged to levels unseen in over a decade.

Macro factors shaped the outlook for precious metals in September, as dovish Fed bets strengthened following soft labor market data that pushed the unemployment rate up to 4.3%, its highest level in four years[13]. Concerns over rising unemployment outweighed an uptick in inflation, prompting the Federal Reserve to cut interest rates by 25 basis points (bps) while leaving the door open for further easing by year end[14]. The combination of lower rates and a weaker dollar reduced the opportunity cost of holding precious metals, while broader macroeconomic uncertainty reinforced gold's value as a haven. Silver also found renewed support after being added to the U.S. government's list of critical minerals, sparking tariff concerns and driving lease rates sharply higher[15].

PRICE ACTION

Rate cuts, dollar weakness, and global uncertainty supported both gold and silver. Silver outperformed as trade concerns emerged following its inclusion in the U.S. Department of the Interior's draft list of critical minerals[16].

- Gold broke through all-time highs, rallying above $3,700 per ounce after the Federal Reserve cut rates on September 17th[17].
- Silver rallied to a 14-year high of around $42 per ounce amid rising trade uncertainty. Industrial demand also drove prices higher as Chinese manufacturers entered their busy season.

OUTLOOK

Macroeconomic uncertainty continues to shape the outlook for precious metals, driving further demand from both ETFs and retail investors. Following September's rate cut, we see the trajectory for precious metals tilted upward, supported by slowing U.S. employment data and the potential for additional easing into year-end. Trade-related inflation risks remain a concern, while history suggests the U.S. dollar typically weakens during Fed easing cycles, further reinforcing our positive view on the sector. We believe miners are well positioned to benefit, leveraging rising prices to strengthen cost efficiencies, pursue M&A opportunities, and enhance shareholder distributions, even when prices on the underlying commodity might stall.

The Federal Reserve's Summary of Economic Projections (SEP) Suggests Two More Rate Cuts in 2025

U.S. Federal Open Market Committee's Median Assessment of Appropriate Monetary Policy

Source: Board of Governors of the Federal Reserve System. (2025, September 17). Federal Open Market Committee.

The Federal Reserve cut rates by 25 bps at its September meeting, with median projections leaving room for two additional cuts in 2025. While the path of least resistance for interest rates appears downward, the journey could be fraught with volatility[18].

Critical Minerals, Battery Tech & Lithium

Key Takeaway

Lithium carbonate prices consolidated in September, as expectations of an earlier-than-anticipated restart of CATL's Jianxiawo mine pressured the market[19]. Rare earths, by contrast, stood out as a bright spot among critical minerals, extending their advance as global supply chains remain strained by trade tensions.

Chinese regulators clarified reports regarding "anti-over competition" measures in lithium, noting their intent to stabilize commodity pricing at a "healthy" level rather than tamp down on production outright. CATL also signaled an earlier-than-anticipated restart of its Jianxiawo mine, while regulators noted that other projects could face duties or taxes rather than outright shutdowns. Lithium prices declined in response, tempering the upward momentum that was observed through much of August. However, positive signs were exhibited in Chinese demand, with January-July EV Sales rising 29% YoY, supported by indications that state subsidies for NEVs could remain in place beyond their scheduled expiration at the end of 2025[20]. Meanwhile, rare earth markets continued to tighten as European firms reported significant bottlenecks tied to Chinese export restrictions, despite a July agreement to fast-track shipments to the Eurozone[21]. Prices rose in August after MP Materials halted raw material exports to leading Chinese magnet makers as it pivoted toward domestic production[22].

PRICE ACTION

Lithium carbonate prices pulled back in September following CATL's announcement, while rare earths extended their advance as frictions in global markets intensified ahead of a looming November trade deadline for reciprocal U.S.-China tariffs[23].

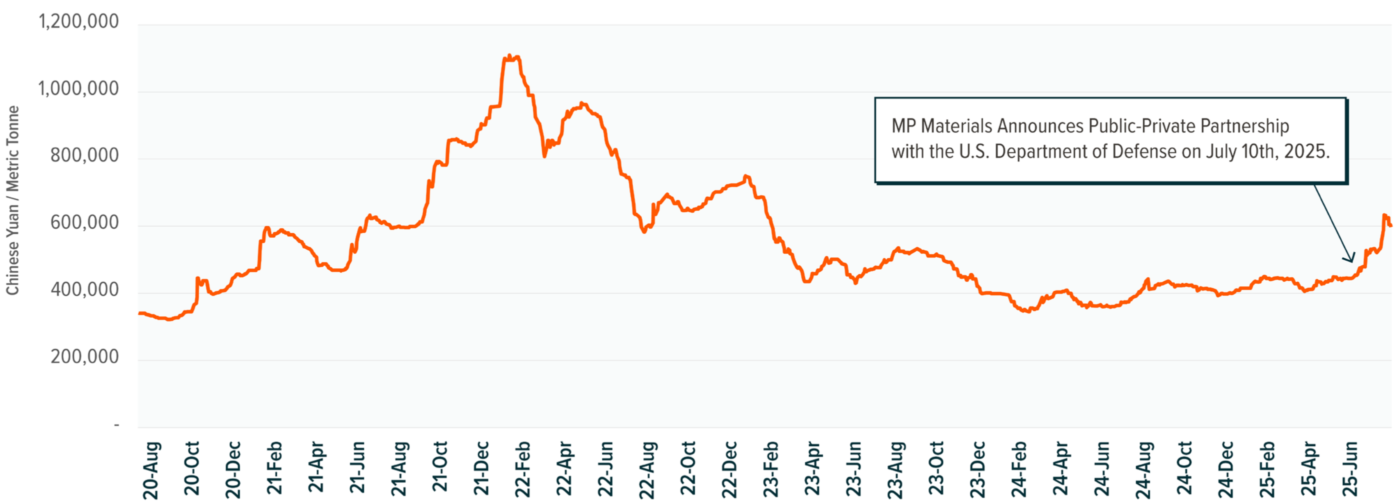
- Lithium carbonate prices fell -0.95% MoM, bringing its one-year performance to approximately -0.48%.
- Prices for rare earths neodymium and praseodymium surged nearly ~40% to reach two-year highs after MP Materials halted raw material exports as part of its deal with the U.S. government, which includes price guarantees on domestic production at nearly double the Chinese rate[24].

OUTLOOK

We believe lithium markets may continue to rebalance following July's mine shutdown, as markets seek a new equilibrium ahead of Jianxiawo's reopening. By contrast, we are more optimistic on the trajectory of rare earth prices, and subsequently rare earth miners, as trade frictions persist ahead of the looming November deadline for reciprocal tariffs. Chinese manufacturing is also entering peak season, with elevated production of electric vehicles, wind turbines, and consumer electronics adding cyclical demand for rare earths. We think the combination of trade frictions, boosted by the U.S. Department of Defense's price guarantee, and seasonal demand may underpin the near-term outlook for critical minerals like neodymium and praseodymium[25].

Rare Earth Prices Rise to Two-Year Highs Following Halt of Raw Material Shipments to China

Five-Year Neodymium-Praseodymium Oxide (NdPr) Prices, in $/kg



Source: Bloomberg. August 31, 2020 - August 31, 2025. Neodymium-Praseodymium Oxide (NdPr) Prices.

Following price guarantees from the U.S. government at $110 per kg NdPr, a price roughly twice the Chinese price, MP Materials halted export of rare earth minerals while ramping up quarterly production nearly 120%[26].

FOOTNOTES

1. The Guardian (2025, September 15). UK-US nuclear deal: what does it mean and will it really lead to a 'golden age'?
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14. CNBC (2025, September 17). Fed approves quarter-point interest rate cut and sees two more coming this year.
15. Bloomberg (2025, September 8). Silver Borrowing Costs Surge on Tariff-Driven Supply Jitters.
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18. Axios (2025, September 17). Fed cuts rates 0.25 points, reacting to weak job numbers.
19. Benchmark Mineral Intelligence. (2025, September 17). Lithium Price Assessment.
20. Benchmark Mineral Intelligence. (2025, September 16). China announces new two-year plan for the auto sector.
21. Reuters (2025, September 17). EU firms brace for more shutdowns due to China rare earth controls despite summit promise.
22. Reuters (2025, August 26). Rare earth prices hit two-year peak after MP Materials stops China shipments.
23. Reuters (2025, September 14). US, China end first day of talks in Spain on trade, TikTok deadline.
24. Reuters (2025, August 26). Rare earth prices hit two-year peak after MP Materials stops China shipments.
25. Ibid.
26. Reuters (2025, August 7). MP Materials posts smaller loss as rare earths production surges.

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.

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).

Strategic Uranium Reserve: A national supply of uranium maintained for energy security purposes and meant to support domestic nuclear power generation.

Summary of Economic Projections (SEP): A quarterly report published by the U.S. Federal Reserve which includes projections from Fed governors on key economic indicators like inflation, economic growth, unemployment, as well as the appropriate path for the Federal Funds rate.

Uranium Concentrate (U3O8): The powdered by-product of uranium production, produced by crushing and extracting uranium ore through chemical processes. Also known as yellow cake and used as the primary component for producing uranium-based nuclear fuels.
