

## Uranium

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With the world moving away from coal and fossil fuels, nuclear power is being recognized as a cleaner, reliable energy source. As countries ramp up nuclear projects and adopt new technologies like small modular reactors (SMRs), uranium demand is expected to surge, pushing prices higher. For investors, uranium is set to become a hot commodity.

What's Driving the Opportunity:

**Nuclear Energy Comeback:** Governments around the world are embracing nuclear energy again as a solution to climate change. With dozens of reactors under construction and new tech like SMRs in the works, the demand for uranium (the fuel for these reactors) is only going up. Unlike wind or solar, nuclear can provide consistent power 24/7, making it a solid option as the world moves toward greener energy.

**Supply Chain Squeeze:** Uranium prices have climbed from \$18 per pound in 2016 to around \$80 today, thanks to rising demand and supply shortages. Mining companies cut back after the Fukushima disaster, and it takes years to ramp production back up. Plus, potential sanctions on Russian uranium could tighten supplies even more, making uranium a more valuable resource in the near future.

**Energy Security & Geopolitics:** With the U.S. banning Russian low-enriched uranium imports by 2028 and Russia potentially restricting exports, supply chains are already feeling the pressure. This geopolitical risk could push uranium prices even higher, creating a perfect storm for investors.

Global X Uranium ETF (URA): Focuses on companies involved in uranium mining and nuclear industry parts. (\$2.9B AUM; 0.69% expense ratio).

### The Uranium Supply Gap

Forecasts project a persistent supply-demand imbalance for uranium, with an anticipated cumulative gap of approximately 680,000 metric tons by 2040.

Meanwhile, the existing supply gap is expected to intensify, signifying a prolonged shortage in the market.

Millions of U308 lbs	Production	Demand	Gap
2022	129	194	65
2023P	142	195	53
2024P	160	196	36
2025P	172	198	26
2026P	184	208	24
2027P	188	213	25
2028P	189	217	28
2029P	190	221	31
2030P	185	223	38
2031P	174	226	52

### Uranium Producers

In 2022, Kazakhstan, Canada, Namibia, and Australia were responsible for over 70% of the global uranium production.

However, recent geopolitical developments threaten disruptions in the uranium supply chain, including:

Potential sanctions on Russian uranium and related services.

Risks of supply interruptions in Kazakhstan due to transportation routes passing through Russia.

Halts in uranium exports from Niger following government coups.

Despite these risks, the demand for uranium in nuclear reactors is projected to escalate over the next decade, increasing by 28% by 2030 and anticipated to nearly double by 2040.

The surge will be driven by governments scaling up nuclear power capacity to achieve zero-carbon targets.



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