

The uranium price has left the teenage years



Experts expect a deficit on the uranium market. This leads to opportunities for investors.

The demand for uranium is moving significantly upwards. In the long term, the experts at Canaccord Genuity, for example, expect a price of USD 75 per pound of uranium. This is because, in addition to demand, production costs are also rising due to inflation. At the beginning of 2023, the uranium spot price was still USD 48 per pound of uranium. It currently stands at around 70 US dollars. This is the highest value in around twelve years. New reactors are being built and planned, especially in China and India, and nuclear reactor lifetimes are being extended. The annual growth rate in nuclear capacity is expected to be around 3.6 percent.

This is fueling the demand for uranium. A look at inventories shows that they are close to the recent lows. There is probably no longer a stock overhang. A deficit on the uranium market is therefore likely. And it is not only the utilities that are withdrawing uranium, but also physical funds that are competing with the former. The most important player on the market is the Sprott Physical Uranium Trust. In 2022, it acquired 17.9 million pounds of uranium. So far in 2023, it has only acquired 2.6 million pounds of uranium. It is expected that some more physical uranium will be collected from this side. This in turn will drive up the price.

Investors who want to benefit from the increasing demand for uranium can opt for the stocks of uranium companies with high-quality assets. These should have positive guidance and good uranium projects. These include American Future Fuel or IsoEnergy.

American Future Fuel - <https://www.commodity-tv.com/ondemand/companies/profil/american-future-fuel-corp/> - owns a 100 percent interest in the Ceboletta uranium project in New Mexico.

IsoEnergy - <https://www.commodity-tv.com/ondemand/companies/profil/isoenergy-ltd/> - has prospective uranium projects in the high-grade Athabasca Basin in Saskatchewan, Canada.

Current company information and press releases from American Future Fuel (- <https://www.resource-capital.ch/en/companies/american-future-fuel-corp/> -) and IsoEnergy (- <https://www.resource-capital.ch/en/companies/iso-energy-ltd/> -).

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