



## Why Uranium Stocks Are Down 10% on Monday

### Description

Uranium stocks including **Energy Fuels** ([TSX:EFR](#)) and **Ur-Energy** ([TSX:URE](#)) were down over 10% on Monday, as the bullish industry saw a [correction](#). But there could be even more volatility in the future.

### What happened?

Uranium stocks boomed after the start of the Russia-Ukraine conflict. This came as countries around the world imposed sanctions on the country. Russia is known for producing low-cost uranium and is a heavy consumer of it as well. The country, in fact, hoped to build even more reactors in the coming years.

However, those hoping that Canada would take up the gauntlet may be [disappointed](#). The United States, also a consumer of Russian uranium formerly, may enter into talks with Iran. A deal from 2015 is still in place, with Iran, Russia and the United States all agreeing to produce, consume, and weaponize a certain amount of uranium. The problem? No one seems to be following those rules.

### So what?

What has to happen for uranium stocks to recover is for a deal to be made or not. The White House can start up the deal once more, with Iran switching up production a bit. The country was supposed to keep only enough uranium to weaponize one-third of a nuclear weapon. However, it keeps *far* more. The idea was it would ship the rest out to Russia. With that no longer an option, Iran will need another area to ship to.

If that deal can be created, then Russia will remain stuck. But uranium stocks may not recover either. Canadian uranium stocks saw a huge surge thanks to the Russian sanctions. However, should the United States now look to Iran instead of the expensive Canadian market, uranium stocks could go down in this country once more.

## Now what?

Energy Fuels stock was down over 9% on Monday. It comes just days after the company announced it would be looking for “rare earth mineral concentrates” in Tennessee. It also comes days after Ur-Energy completed initial assessments at another uranium mine. So, just as these companies look to increase production, the downturn happened.

Uranium stocks, however, have been in a volatile market. Whether you look all the way back to the Fukushima nuclear disaster or the recent Ukraine crisis, the answer is the same. It’s a volatile mineral that will continue to be in the spotlight for some time. And it’s unclear right now whether that’s a good thing.

Another thing is also true, no matter what we’d like to believe, is that uranium stocks will benefit in the future from the rise in clean energy use. So, investors should ask themselves whether they can withstand some volatility for the next few years if it means growth in a decade?

Shares of Ur-Energy stock were down 10% as of writing, as was Energy Fuels stock.

### CATEGORY

1. Energy Stocks
2. Investing

### TICKERS GLOBAL

1. TSX:EFR (Energy Fuels Inc.)
2. TSX:URE (Ur-Energy Inc.)

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