

EUA prices €/t 15.11.2018 15:38

| Product | Bid | Ask | Last | Change* |
|---------|-------|-------|-------|----------|
| Spot** | 18.84 | 18.87 | 18.81 | -3.99% ↓ |
| Dec-18 | 18.85 | 18.87 | 18.85 | -3.77% ↓ |
| Dec-19 | 19.24 | 19.27 | 19.27 | -3.43% ↓ |
| Dec-20 | 19.78 | 19.82 | 19.75 | -3.59% ↓ |

*Change compared to the previous report ** EEX spot

sCER prices €/t 15.11.2018 15:38

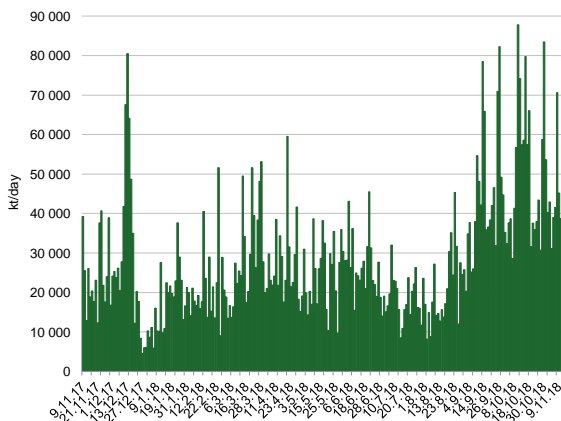
| Product | Bid | Ask | Last | Change* |
|---------|------|------|------|----------|
| Spot** | 0.00 | 0.30 | 0.27 | 0.00% |
| Dec-18 | 0.25 | 0.28 | 0.27 | 0.00% |
| Dec-19 | 0.21 | 0.33 | 0.25 | -8.00% ↓ |
| Dec-20 | 0.23 | 0.33 | 0.25 | -8.00% ↓ |

| Product | Spread | Change* |
|------------------------------|--------|----------|
| EUA Dec18-sCER Dec18 Spread* | 18.58 | -3.82% ↓ |

*Change compared to the previous report **Last trade price

Daily traded EUA volume, ICE Futures Europe*

*Daily traded volumes of EUA futures contracts at ICE Futures Europe exchange



Energy prices 15.11.2018 15:38

| Product | Unit | Prices* | Change* |
|------------------------|---------|---------|----------|
| ENO Q4-2018 | €/MWh | 51.95 | 7.31% ↑ |
| ENO 2019 | €/MWh | 41.70 | 6.95% ↑ |
| ENO 2020 | €/MWh | 34.36 | -0.20% ↓ |
| ENO 2021 | €/MWh | 31.50 | -1.59% ↓ |
| EEX, Base load Cal-19 | €/MWh | 52.85 | 1.95% ↑ |
| Brent crude | \$/bbl | 66.60 | -6.34% ↓ |
| Natural gas UK (Q4-18) | p/therm | 71.29 | 5.95% ↑ |
| Coal CIF ARA API2 2019 | \$/t | 85.75 | -3.67% ↓ |

*Change compared to the previous report **Last trade price

Market Analysis

During week 45 the emission price turned strongly bullish. Emission price was supported by strong auctions. Also the temperatures, that are falling widely in Europe, supported the emission price. Additionally, the German power market turned strongly bullish. The closing price of the week was 19,50 € and at the weekly level the emission price increased by 2,42 €.

On Monday this week the emission price broke the resistance level of 20 €/t. The breaking of the resistance level turned the price to a bullish trend again. However, after Monday the emission price has been bearish and the trading has been done at below the 20 €/t again. The emission price has been supported the weather in Europe turning colder and scarcer auction supply. However, the sharp decrease in oil price has turned the coal price and the German power market bearish. Additionally, the weak auctions on Tuesday turned the emission price momentarily decreasing very sharply. On Thursday the emission price decreased strongly, when the three British ministers stepped down as an objection to Brexit agreement.

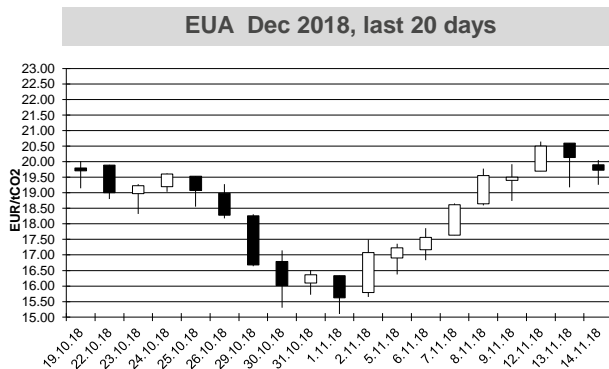
During week 45 the ICE Futures Europe exchange trading volumes decreased compared to previous week. The average volume was about 45 million. On Tuesday the volume increased to 71 million.

Market View

The emission price has technically turned bullish, when the resistance level of 20 €/t has been broken. The breaking of the resistance level opened the upward potential till 22,60 €/t. Despite of the strengthened outlook the emission price has been under downward pressure after Monday.

Downward pressure to emission price has been created by very weak oil price, when the price decrease has strengthened when the price decreased to below the strong support level of 70 USD. The oil price has decreased sharply despite of Saudi Arabia's announcement to cut the country's oil export by half a million barrels per day starting in December. Downward pressure to oil price has been caused by weaker demand expectations and weak technical outlook. Weak oil price has also decreased the coal price. Additionally the coal stocks are at high level in big harbors in Europe, but still low water levels in big rivers limit the coal transport from harbor to inland. The uncertainty on Brexit causes also downward pressure to emission price.

However, the coal price and the natural gas price is supported by colder weather in Europe next week. At the same time the wind conditions are mainly weaker than normal. Cold, dry and less-windy weather type supports also the emission price. We expect the uncertainty on Brexit to fluctuate the emission price strongly. So far we expect the emission price to fluctuate close to current level, but we expect the emission price to head towards the 22,6 €/t level in the longer term.



Black candles indicate days with closing price below opening price.
White candles indicate days with closing price above opening price.

| CDM pipeline | 15.11.2018 15:38 | |
|---|------------------|--------|
| | Amount | Change |
| Number of projects** | 8456 | -9 |
| Registered projects* | 7755 | 1 |
| Volume of the pipeline by the year 2020, MtCO2e** | 10614 | -54 |
| Issued CERs, MtCO2e* | 1787 | 7 |

*Change compared to the previous report.

**Pipeline: UNEP/Risoe is updated monthly. Registered projects and issued CERs: UNFCCC

| Upcoming events | |
|-----------------|--|
| Date | Event |
| 3.-14.12.2018 | International Climate Conference in Katowice |

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Sources:

- [1 Helsingin Sanomat news \(in Finnish\)](#)
- [2 Carbon Pulse news](#)
- [3 Finnish Ministry of the Environment](#)

On Agenda: Europe

SSAB is developing a system to produce iron from iron ore with the help of electricity and hydrogen. The system is carbon-free, when currently the steel factories produce the iron in furnaces, where coal is needed both to reduction of iron oxide and as an energy source. With this new method, all SSAB steel factories could be working almost fossil-free by the end of 2030. Due to this, the greenhouse gas in Finland and Sweden would decrease by about one tenth.¹

Big German energy company RWE released in its interim results to have continued to purchase the emission allowances. RWE said it continued hedging until the mid-2020s, advancing considerably on what it had announced in the previous quarter. In its Q2 results, RWE said it was financially hedged up to end-2022. The RWE hedging has a significant impact on emission price, when the company is the biggest emission allowance buyer at the market and the company's emissions are equivalent to 8 % of the whole emissions in the ETS.²

On Agenda: Global

Delegations from more than 190 countries will convene in Egypt at the 14th meeting of the Conference of the Parties to the UN Convention on Biological Diversity. Preparations for the meeting have taken place at a time when alarming messages have come from the scientific community concerning the state of biodiversity in the world. Minister Tiilikainen heads the Finnish delegation.³

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