

EUA prices €/t 23.11.2018 14:03

Product	Bid	Ask	Last	Change*
Spot**	21.09	21.13	20.92	6.50 % ↑
Dec-18	21.10	21.13	21.11	7.34 % ↑
Dec-19	21.48	21.52	21.50	7.30 % ↑
Dec-20	22.01	22.07	22.18	7.75 % ↑

*Change compared to the previous report ** EEX spot

sCER prices €/t 23.11.2018 14:03

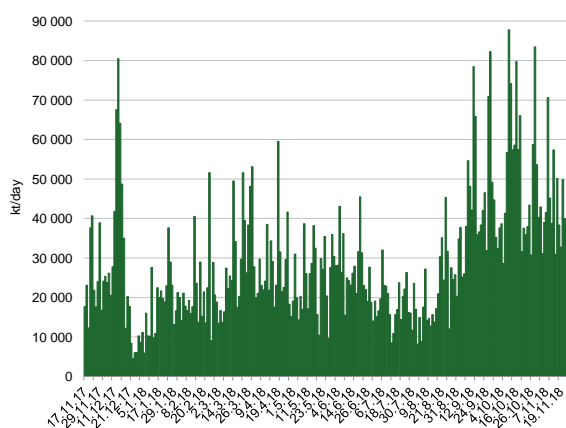
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.30	0.27	0.00 %
Dec-18	0.25	0.28	0.27	0.00 %
Dec-19	0.20	0.33	0.27	0.00 %
Dec-20	0.23	0.33	0.27	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	20.84	7.44 % ↑

*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 23.11.2018 14:03

Product	Unit	Prices*	Change*
ENO Q4-2018	€/MWh	50.75	5.12 % ↑
ENO 2019	€/MWh	41.45	6.39 % ↑
ENO 2020	€/MWh	34.35	-0.23 % ↓
ENO 2021	€/MWh	31.36	-2.04 % ↓
EEX, Base load Cal-19	€/MWh	52.65	1.58 % ↑
Brent crude	\$/bbl	62.04	-14.15 % ↓
Natural gas UK (Q4-18)	p/therm	67.43	0.58 % ↑
Coal CIF ARA API2 2019	\$/t	85.00	-4.59 % ↓

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

Market Analysis

At the beginning of week 46 the emission price increased when the colder weather widely in Europe and scarcer auction supply supported the emission price. On Monday the emission price increased to above the resistance level of 20,0 €/t and technically the emission price turned clearly to a bullish trend. However, after the beginning of the week the emission price turned bearish with the fuel prices and the German power market. Additionally, downward pressure to emission price was caused by the uncertainty due to Brexit, when on Thursday three British ministers stepped down as an objection to presented Brexit agreement. The closing price of the week was 19,11 € and at the weekly level the emission price decreased 0,39 €.

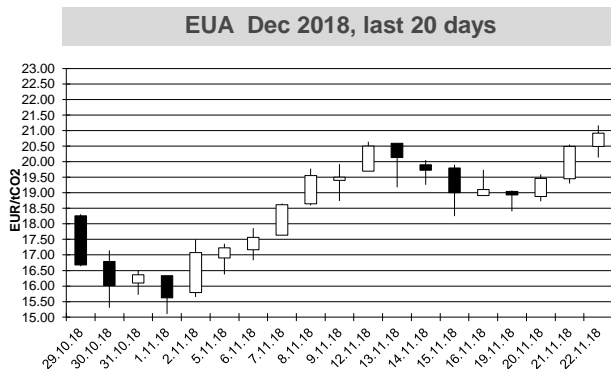
On Monday this week the emission price was bearish. Downward pressure was caused by the latest weather forecasts updated after the weekend, that show the ending of cooling high pressure in Europe and in December the weather is turning clearly milder and windier. Additionally, the uncertainty on Brexit and weak fuel prices and the German power market caused downward pressure. After Monday, however, the emission price turned bullish, when despite of the weather type change still dry, cold and less-windy weather type supported the demand for emission allowances. Also the German power market turned bullish after Monday despite of the weak fuel prices. Additionally, the auction demand on Tuesday, Wednesday and Thursday was strong. On Thursday the emission price was supported also by the Brexit agreement draft between EU and Britain.

During week 46 the ICE Futures Europe exchange trading volumes decreased compared to previous week. The average volume was about 44 million. On Tuesday the volume increased to 57 million.

Market View

The emission price has turned bullish after Monday. The emission price is supported by high pressure widely in Europe, which makes the weather cold, dry and less windy. However, in the forecasts there is milder, wetter and windier weather at the beginning of December. The upward pressure is limited also by the weak fuel prices, which causes downward pressure to German power market. The oil price has continued decreasing sharply and the oil price is close to lowest trading levels of the year. Downward pressure to oil price has been caused by increased oil reserves and concern on slowing oil demand growth. Weak oil price has also caused downward pressure also to coal price. Additionally, strong downward pressure to coal price has been caused by China's announcement that this year's import volumes are used.

Technically the emission price was in a bullish trend and on Thursday the price broke the resistance level of 20,65 strengthening further the technical outlook. Technically there is upward potential till 22,60 €/t. The uncertainty on Brexit causes uncertainty and fluctuation to emission price, but we expect the price to head toward the resistance level of 22,6 €/t 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		23.11.2018 14:03	
	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 The Guardian news](#)
- [2 BNEF news](#)

On Agenda: Europe

In Britain, according to the report by the Committee on Climate Change (CCC), millions of gas boilers will need to be replaced with hydrogen alternatives and coupled with electric heating devices if Britain is to hit its carbon targets at the lowest cost. This change will cost about 28 bn £ a year, or 0,7 % of GDP. Currently, almost all homes today rely on natural gas for heating and cooking. Britain's target is to cut the carbon emissions 80 % by 2050.¹

On Agenda: Global

Wind and solar power have gotten so cheap that the investments on other forms of renewable energy have decreased. In 2004 the investments on wind and solar energy were about half the spending on renewables, when this year the wind and solar energy investments are about 93 percent of total global investments. However, for decarbonizing the investments should also be targeted to other forms of renewable energy in order to balance the weather-dependent production.²

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