

## EUA prices €/t 29.11.2018 10:39

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	19.28	-8.51 %
Dec-18	19.47	19.53	19.50	-8.26 %
Dec-19	19.80	19.88	19.86	-8.26 %
Dec-20	20.36	20.43	20.44	-8.51 %

\*Change compared to the previous report \*\* EEX spot

## sCER prices €/t 29.11.2018 10:39

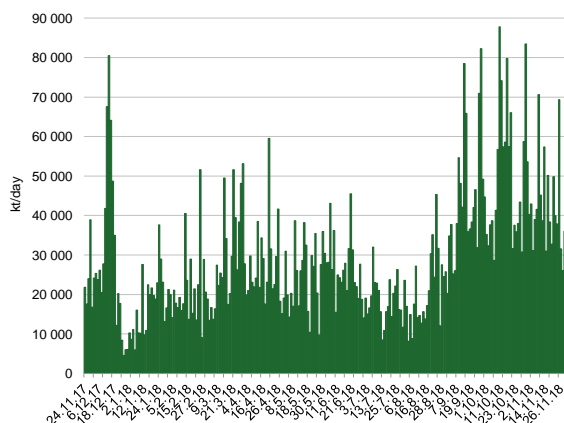
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.30	0.27	0.00 %
Dec-18	0.25	0.26	0.26	-3.85 %
Dec-19	0.20	0.26	0.26	-3.85 %
Dec-20	0.20	0.33	0.26	-3.85 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	19.24	-8.32 %

\*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 29.11.2018 10:39

Product	Unit	Prices*	Change*
ENO Q4-2018	€/MWh	50.20	-1.10 %
ENO 2019	€/MWh	41.75	0.72 %
ENO 2020	€/MWh	35.10	2.14 %
ENO 2021	€/MWh	32.50	3.51 %
EEX, Base load Cal-19	€/MWh	51.98	-1.29 %
Brent crude	\$/bbl	58.41	-6.21 %
Natural gas UK (Q4-18)	p/therm	66.74	-1.04 %
Coal CIF ARA API2 2019	\$/t	85.00	0.00 %

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

## Market Analysis

On Monday in week 47 the emission price was decreasing. Downward pressure at the beginning of the week was caused by the latest weather forecasts, that show that the high pressure in Europe will end. Therefore the cold, dry and less windy weather ends, which decreased the demand outlook on emission allowances. However, after Monday the emission price started to increase again. The emission price was supported by strong auctions and scarcer auction supply, when there will be no German auctions during the rest of the year. On Thursday the emission price was supported also by the Brexit draft agreement between EU and Britain.

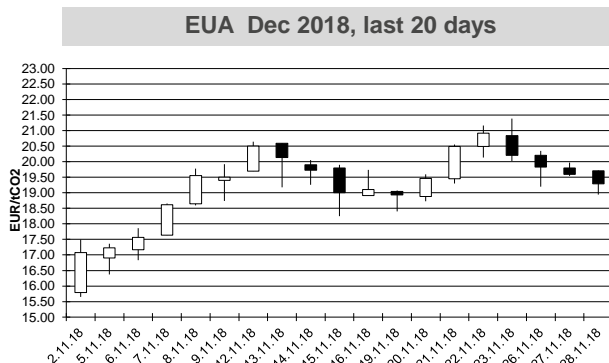
During this week the emission price has been decreasing. Downward pressure to emission price has been caused by the weather turning clearly milder and windier in Europe. Also the fuel prices have continued to be weak.

During week 47 the ICE Futures Europe exchange trading volumes slightly increased compared to previous week's level. The average volume was about 46 million. On Friday the volume increased to 69 million.

## Market View

The emission price has been decreasing during this week. Downward pressure to emission price has been caused by the weather in Europe turning windier and milder. Additionally, still weak fuel prices have caused downward pressure. The technical outlook of emission price is weakened by the decrease that has continued already during several days, but the price is still higher than the lowest prices of mid-November (18,25 €/t). Therefore technically the trend is still bullish. The emission price is supported by the lack of German auctions for the rest of the year.

In the short term the fluctuation to emission price is caused by Brexit negotiations and the uncertainty on that. The EU countries have accepted the Brexit draft agreement as expected, but it is uncertain, if the Britain accepts the agreement. In the short term the fuel prices and the stock market might be fluctuated by the G20 meeting on Friday and the OPEC meeting on 6th of December. In the short term we expect the emission price to fluctuate, but in the longer term we expect the price to trend towards the resistance level of 22,60 €/t.



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

CDM pipeline		29.11.2018 10:39	
	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 Yle news \(in Finnish\)](#)
- [2 Yle news \(in Finnish\)](#)
- [3 Carbon Pulse news](#)
- [4 The Guardian news](#)

## On Agenda: Europe

The European Commission has proposed that EU would target the net zero carbon by 2050. According to the calculations, reaching the target would require that the electricity production should be more that doubled and at the same time the fossil fuels would be totally abandoned. More than 80 % of the electricity should be produced by renewable energy sources and about 15 % by nuclear power. EU has agreed on 40 % emission reduction target by 2030, but the environmental organizations see that the 2030 target should be tightened in order to reach the net zero carbon by 2050.<sup>1</sup>

France is planning on shutting 14 nuclear reactors by 2035. At the same time, France is aiming to cut the nuclear power share to half by 2035. In order to reach the target, France aims to triple its wind power electricity output and increase solar energy output fivefold in that period.<sup>2</sup>

Societe Generale forecasts that at the beginning of next year EUAs would climb sharply due to MSR and its supply cutting effect. Societe Generale expects the emission price to increase to 32€/t in Q1 next year.<sup>3</sup>

## On Agenda: Global

According to WMO forecasts, there is a 75-80 % change of a climate-warming El Niño event by February. The last El Niño ended in 2016 and that year was the hottest ever recorded. However, the 2019 event is not currently forecast to be as strong as in 2016. With the event, the ocean temperatures rise to high level at the Western Pacific and at the same time the event affects globally to weather conditions. According to study results, the climate warming strengthens El Niño.<sup>4</sup>

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