

EUA prices €/t 7.12.2018 11:53

Product	Bid	Ask	Last	Change*
Spot**	19.80	19.86	19.86	2.92 % ↑
Dec-18	19.81	19.85	19.85	1.76 % ↑
Dec-19	20.15	20.20	20.16	1.39 % ↑
Dec-20	20.70	20.76	20.72	1.40 % ↑

*Change compared to the previous report ** EEX spot

sCER prices €/t 7.12.2018 11:53

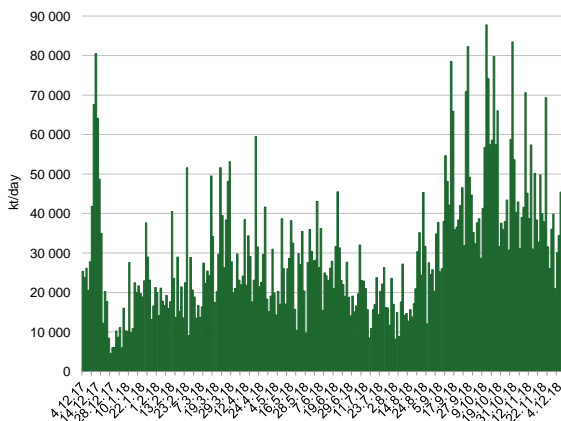
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.30	0.26	0.00 %
Dec-18	0.24	0.26	0.25	-4.00 % ↓
Dec-19	0.20	0.26	0.25	-4.00 % ↓
Dec-20	0.20	0.28	0.25	-4.00 % ↓

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	19.60	1.84 % ↑

*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 7.12.2018 11:53

Product	Unit	Prices*	Change*
ENO Q4-2018	€/MWh	49.95	-0.50 % ↓
ENO 2019	€/MWh	42.90	2.68 % ↑
ENO 2020	€/MWh	36.90	4.88 % ↑
ENO 2021	€/MWh	34.15	4.83 % ↑
EEX, Base load Cal-19	€/MWh	51.54	-0.85 % ↓
Brent crude	\$/bbl	59.56	1.93 % ↑
Natural gas UK (Q4-18)	p/therm	62.92	-6.06 % ↓
Coal CIF ARA API2 2019	\$/t	86.25	1.45 % ↑

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

Market Analysis

At week 48, the price of emission allowances fell in the early part of the week when weather forecasts predicted the weather would turn milder and windier. Fuel prices, which continued to be weak, maintain a downward pressure. However, at the end of the week, the price of emission allowances started to rise according to the trend. At the weekly level, the price of emission allowances eventually went up slightly. The closing price of the week amounted to EUR 20.52, and at the weekly level, the price of the emission allowances increased by EUR 0.34.

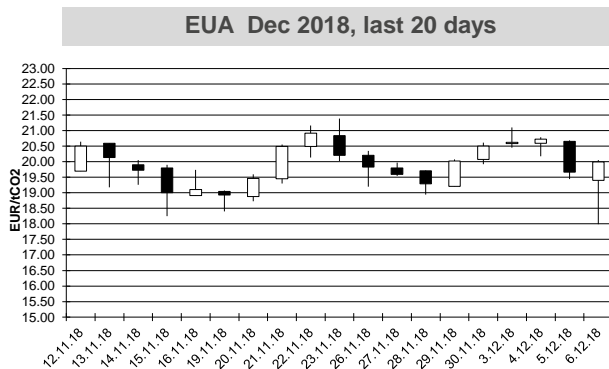
During the current week, the price of the emission allowances went down on Wednesday. The early week's relief from easing off of trade volatility ended on Tuesday in the United States as stock indexes began to fall sharply. Again, the more pessimistic feelings were reflected in the price of the emission allowances. On Wednesday, the price of the emission allowances dropped to below € 20.0 per ton.

In week 48, trading volumes of ICE Futures Europe declined compared to the previous week's level. The average volume was about 31 million. On Thursday, the volume rose to 38 million.

Market View

Trade tensions have been slightly reduced as Trump and Xi Jinping agreed last weekend at the G20 meeting for a 90-day time-out situation. Consequently, new customs duties will not be necessary to take effect within this period. The relaxation of trade tensions has supported the price of fuel and emission allowances. However, during the current week, the price of emission allowances went down on Wednesday. The downward pressure to the price of emission allowances has again been brought by more pessimistic feelings on the stock market, which has also been reflected in fuel prices.

The emission allowance price is in mid-November is still higher than the bottom (18,25 €/t). Hence, technically the trend is still upwards. The price is also supported by the widespread falling temperatures in Europe as well as the missing German auctions at the end of the year. In the price of emission allowances, strong volatility may be brought by the voting of the British Parliament on the draft of the Brexit agreement on Tuesday next week. In addition, EUA-Dec-18 options are due on Wednesday next week. In the short term, we expect the price of emission allowances to fluctuate, but in the longer term, we expect the price to be in line with the trend towards € 22.60 per ton resistance. UN climate negotiations are underway, but we expect the negotiations to have a very limited impact on the emission allowances in the short term.



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

CDM pipeline	7.12.2018 11:53	
	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

Contacts:

Markus Herranen
Toni Sjöblom
E-mail: firstname.lastname@enegia.com

Sources:

- [1 Carbon Pulse news](#)
- [2 BNEF's news](#)
- [3 Carbon Pulse news](#)

On Agenda: Europe

The French government has so far decided to freeze the intentions of raising the carbon dioxide tax on fuels and electricity due to strong opposition and demonstrations last week. The tax increases we supposed to come into effect from the beginning of next year, but the government at first bent to postponing the plan by at least half a year, and then they decided to cancel them completely. One of the aims of the tax increase is to help the country to achieve the goals of the Paris Climate Agreement and to help achieve carbon neutrality by 2050.¹

On Agenda: Global

The world's largest freight carrier Maersk seeks to make the company's fleet be zero-emission by 2050. To achieve this goal, Maersk must develop carbon dioxide neutral vessels by 2030.²

California's next year's emission allowance floor price will be \$ 15.62 per ton. In California, the price of emission allowances will increase by 5% per annum in addition to inflation. As a result, the price of the emission allowance rises to 7.5% over the current year, with an inflation rate of 2.5%.³

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