

EUA prices €/t 8.3.2019 12:42

Product	Bid	Ask	Last	Change*
Spot**	23.14	23.19	23.15	6.35 % ↑
Dec-19	23.26	23.29	23.27	6.10 % ↑
Dec-20	23.67	23.70	23.56	5.98 % ↑
Dec-21	24.15	24.26	24.37	8.00 % ↑

*Change compared to the previous report ** EEX spot

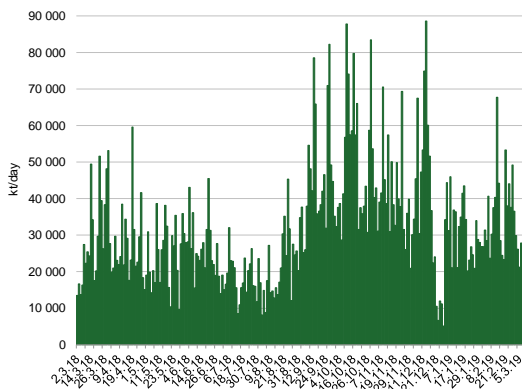
sCER prices €/t 8.3.2019 12:42

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00 %
Dec-19	0.20	0.23	0.22	-4.55 % ↓
Dec-20	0.19	0.23	0.21	-9.52 % ↓

*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 8.3.2019 12:42

Product	Unit	Prices*	Change*
ENO Q2-2019	€/MWh	41.45	2.17 % ↑
ENO 2020	€/MWh	36.90	-1.06 % ↓
ENO 2021	€/MWh	32.95	-2.28 % ↓
ENO 2022	€/MWh	32.50	-2.92 % ↓
EEX, Base load Cal-20	€/MWh	48.06	0.12 % ↑
Brent crude	\$/bbl	65.33	-1.56 % ↓
Natural gas UK (Q2-19)	p/therm	41.73	-5.37 % ↓
Coal CIF ARA API2 2020	\$/t	77.70	-3.99 % ↓

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

Market Analysis

The emission price turned strongly bullish last week. The emission price turned bullish, when the strong support level of 18,35 €/t in price held. The support was also caused by the news, that Brexit implementation is planned to be delayed. This, for its part, reduced the uncertainty and especially the fear of so-called hard Brexit. Additionally, the support was caused by the news, that Britain is planning on possibly linking to EU ETS starting in 2021. The closing price of the week was 22,28 € and at the weekly level the emission price finally closed even 3,34 € higher.

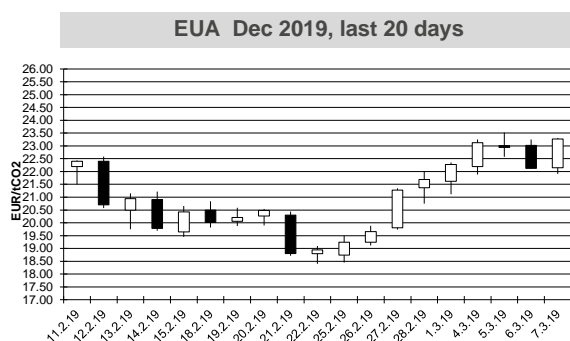
During this week the emission price continued strong development on Monday with the stronger technical outlook and the reduced political uncertainty. However, after Monday the emission price turned bearish. Downward pressure to emission price was caused by weak fuel prices, that have caused selling pressure to the electricity market. However, on Thursday the emission price started to increase again.

Last week the trading volumes increased. The average trading volume last week was about 39 million allowances per day. On Wednesday the volume increased to 49 million.

Market View

The Europe's weather is still mainly fairly mild, but next week the weather turns colder. The forecasts don't show cold weather but the temperatures are primarily normalizing. Despite of the colder weather, the wind power production remains to be good. The weather outlook is decreasing for both the fuels and the electricity market. Also the weather outlook and the weaker electricity market cause downward pressure to emission price.

We expect the emission price fluctuation to continue to be strong. Although the threat of so-called hard Brexit seems more unlikely, still the significant political uncertainty keeps the emission price volatility high. The emission price is technically stronger and the price has returned to clearly above the 200 days rolling average. The price has broken the resistance level of 21,35€/t, which is the lower trend line of the variation range of the trading prices at the beginning of the year. Therefore the price has returned into the variation range of 21,35-26,0 €/t again.



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

CDM pipeline	8.3.2019 12:42	
	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
4.4.2019	Energy Authority (Finland) info day on emission trading's topical issues
30.4.2019	Due date for applications for next phase free allowances
23-26.5.2019	European elections

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Sources:

[1 Carbon Pulse news](#)

[2 Carbon Pulse news](#)

[3 Carbon Pulse news](#)

On Agenda: Europe

Ministers from nine EU nations signaled their support for target of carbon neutrality by 2050. EU leaders are due to meet on May in Romania to consider the European Commission's update to its 2050 climate strategy. On Monday, five EU energy ministers called upon the EU to consider a 100% renewable energy goal.¹

Germany is unlikely to cancel EU carbon allowances to fully match the emission reductions caused by its coal phaseout because calculating the impact will be too complex, a member of the country's coal commission said. The government is seen as likely to cancel EUAs equivalent to the 'gross' emission reduction effect of the shutdowns, rather than calculating the 'net' effect. The uncertainty on the final reduction is caused by the replacing production for the coal production. Some of the production might be renewable but some also emitting production. Additionally, some of the production to be replaced could be covered with increasing electricity import. If the cancellations are made by gross effect, the decision is tightening the CO2 market and increasing the prices.²

On Agenda: Global

The COP25 UN climate conference in Santiago, Chile will take place from Dec. 2-13. The conference will be especially crucial in establishing the rules governing international emissions trade under the pact's Article 6.³

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