

EUA prices €/t 15.3.2019 13:05

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	22.63	-2.30 %
Dec-19	0.00	0.00	22.74	-2.33 %
Dec-20	0.00	0.00	23.14	-1.82 %
Dec-21	0.00	0.00	23.61	-3.22 %

*Change compared to the previous report ** EEX spot

sCER prices €/t 15.3.2019 13:05

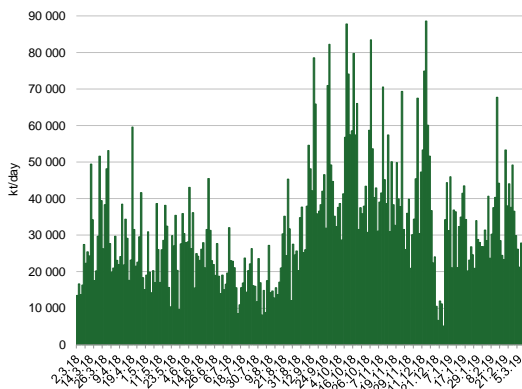
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00 %
Dec-19	0.00	0.00	0.22	0.00 %
Dec-20	0.00	0.00	0.21	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	22.52	-2.35 %

*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 15.3.2019 13:05

Product	Unit	Prices*	Change*
ENO Q2-2019	€/MWh	38.15	-8.65 %
ENO 2020	€/MWh	34.68	-6.40 %
ENO 2021	€/MWh	31.70	-3.94 %
ENO 2022	€/MWh	31.42	-3.44 %
EEX, Base load Cal-20	€/MWh	47.33	-1.54 %
Brent crude	\$/bbl	67.36	3.01 %
Natural gas UK (Q2-19)	p/therm	38.44	-8.55 %
Coal CIF ARA API2 2020	\$/t	74.85	-3.81 %

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

Market Analysis

On Monday last week the emission price continued strong development with the strengthened technical outlook and reduced political uncertainty. However, after Monday the emission price increase stopped. Downward pressure to emission price was caused by weak fuels, that caused selling pressure to the electricity market. The closing price of the week was finally 23,03 € and at the weekly level the emission price closed 0,74 € higher.

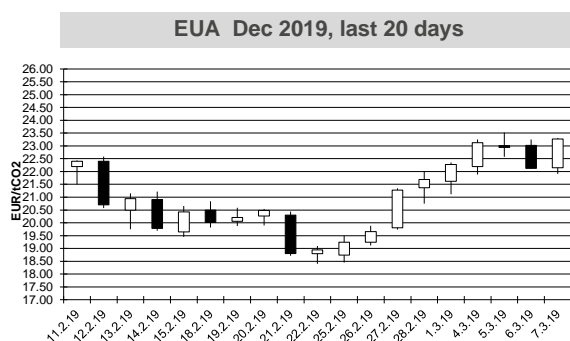
During this week the market is waiting for the proceeding of Brexit in Britain's Parliament. The political uncertainty has kept the emission price fluctuation very high. On Tuesday the Britain's Parliament rejected the Prime Pinister's Brexit agreement as expected. After that on Wednesday the Britain's Parliament voted on no-deal Brexit. Also the Wednesday's vote was not supported enough and therefore the Britain's Parliament voted on Thursday on more time for the negotiations. If the EU countries accept more time, Brexit will not realize 29th of March. Short additional time might be enough if the Parliament accepts the Brexit agreement next week, but still the Brexit agreement has not received even nearly enough support earlier. Therefore the negotiations possibly require long additional time and Britain might participate in euro elections on May.

Last week the trading volumes decreased. The average trading volume last week was about 25 million allowances per day. On Wednesday the volume increased to about 28 million.

Market View

The weather in Europe is still mainly fairly mild and very windy. Mild and windy weather keeps the fuel and emission demand low. The gas and coal prices have continued in strong bearish trends and technically the prices still continue also bearish. Weak fuel prices maintain the downward pressure at the electricity market, which also causes downward pressure to emission price. Extremely weak gas price causes downward pressure to emission price. However, next week the high pressure is settling to above the Central Europe, and therefore the wind power situation weakens clearly. In the weather forecasts for the next week there are even weaker than normal wind power production in Germany. The weakening of the wind power production supports the fuel and emission allowance demand. However, in the weather forecasts there is no weather type change to permanently colder.

We expect the emission price fluctuation to continue to be strong. The political uncertainty is still fairly high but the reduced fear of so-called hard Brexit might support the price in the short term. Technically the emission price fluctuates so far inside the variation range of 21.35 – 26.0 €/t.



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

On Agenda: Europe

The analysts expect the emission price to fluctuate close to current level during the first half of the year, but EU carbon allowances will rise to record highs during the second half of the year, analysts say. German government is expected to release before the summer its plan on cancelling allowances due to coal phase out. The quantity and the timeline of the emission allowance cancelling is still significantly uncertain, but more clarity is expected to support the emission price. With the increasing emission price at the second half of the year the electricity price in Germany might increase to the level of 60 €/MWh during the first quarter next year.¹

European Parliament increased the emission reduction target from 40 % to 55 % compared to 1990 level. At the same time the Parliament set the net zero target to be reached before 2050.²

CDM pipeline	15.3.2019 13:05	
	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 Montel news](#)

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