

### EUA prices €/t 12.4.2019 12:01

Product	Bid	Ask	Last	Change*
Spot**	26.96	27.01	27.00	9.74 % ↑
Dec-19	27.06	27.09	27.06	9.68 % ↑
Dec-20	27.36	27.42	27.42	9.66 % ↑
Dec-21	27.81	27.89	27.75	9.41 % ↑

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

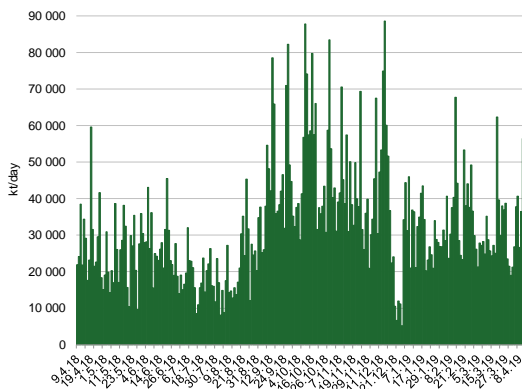
### sCER prices €/t 12.4.2019 12:01

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00 %
Dec-19	0.21	0.24	0.24	4.17 % ↑
Dec-20	0.19	0.24	0.23	4.35 % ↑

\*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 12.4.2019 12:01

Product	Unit	Prices*	Change*
ENO Q3-2019	€/MWh	43.00	12.33 % ↑
ENO 2020	€/MWh	38.70	6.12 % ↑
ENO 2021	€/MWh	34.18	0.26 % ↑
ENO 2022	€/MWh	32.50	0.22 % ↑
EEX, Base load Cal-20	€/MWh	50.69	7.54 % ↑
Brent crude	\$/bbl	71.44	2.11 % ↑
Natural gas UK (Q3-19)	p/therm	41.58	12.09 % ↑
Coal CIF ARA API2 2020	\$/t	75.00	6.67 % ↑

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

## Market Analysis

Last week the emission price continued increasing strongly. The reason behind the strong increase was increasing fuel prices and therefore the strong development at the electricity market. The gas price increase was also clearly stronger than coal price increase, which weakened the gas competitiveness in relation to coal. Additionally, the general market atmosphere was confident and the stock market indexes were clearly increasing. The political uncertainty was high due to continuation of Brexit, but the negotiations between May and the opposition leader were interpreted to be a step towards reaching an understanding. Last week the preliminary figures on last year's realized emissions showed the decrease of more than 4 % compared to previous year's level. The closing price of the week was 24,5 € and at the weekly level the emission price increased even 2,98 €.

During this week the emission price has continued increasing strongly. The increased gas price and the granted additional time for Brexit negotiations have supported the emission price. On Wednesday the emission price increased to above the extremely strong resistance level of 26,0 €/t. At the same time the emission price increased to highest level since the summer of 2008. On Wednesday night the EU countries decided to grant the additional time for Brexit negotiations until the end of October. The additional time was a compromise, when several countries supported the additional time of 1 year. However, due to for example France's support for short additional time, the additional time set was until the end of October. Brexit is also possible before the deadline, if the Brexit agreement is ready earlier.

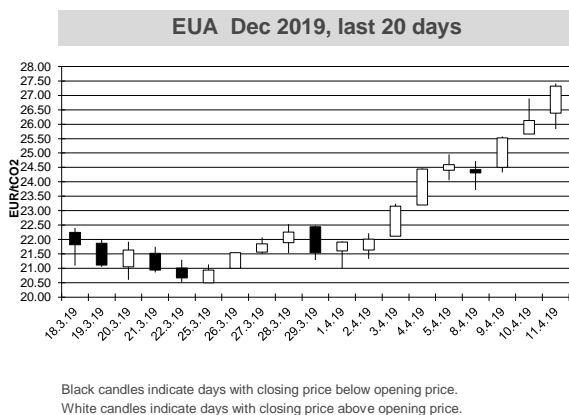
The volumes decreased slightly from the previous week. The average trading volume was about 29 million allowances per day. Friday was the busiest trading day with the volume of 41 million. During this week the volumes have been clearly higher than last week.

## Market View

The emission price is in a very strong technical bullish trend, when the price increased to above the extremely strong resistance level of 26,0 €/t. At the same time the emission price has increased to highest level in 11 years. The extremely strong technical outlook causes upward pressure, when the certainty on long strong bullish trend increases for example the speculative actors' interest in the market. Technically the emission price is increasing towards the 30,0 €/t level.

There has been a relatively strong upward correction in gas price. The upward correction in gas price was started by colder and less windy weather in Europe and the decreased gas export from Norway. On Wednesday the gas price started to decrease again, when as a whole the LNG supply is still fairly high. Also the coal price started to decrease on Wednesday.

The political uncertainty has been reduced so far with the additional time for Brexit. We expect the reduced uncertainty and strong technical outlook to support the emission price. Also the approach of the return date for emission allowances to support in the short term.



## On Agenda: Europe

The emission price increased on Wednesday to 11-year high, but most analysts expect the emission price to decrease in the short term. According to a poll by Carbon Pulse, 11 analysts in average expect the emission price to settle around 23 €/t level during the next three months. The analysts expect the emission price to decrease with the long bearish trend of gas, the wider supply of emission allowances and weaker economic outlook in EU. However, the analysts expect the emission price to stay bullish for the next two years due to tightening effect of MSR. However, due to increasing share of renewable energy, shut-down of coal capacity and decreasing effect of MSR, some of the analysts expect the emission price to decrease in the middle of next decade.<sup>1</sup>

## CDM pipeline 12.4.2019 12:01

	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

## On Agenda: Global

According to investment advisory firm Mercer LLC, the global warming increases the investment risk in certain sectors, depending on how much the climate is warming. For example, if the climate heats up more than 2 degrees, investments in coal and other fossil fuels lose the most in value, because the states have moved towards cleaner energy. Additionally, if the temperatures increase even more, also the industrials and agriculture will be among the biggest losers. The investment losses in fossil fuels would be visible in investment winnings in renewable energy. The impact overall of warming of 2 degrees on GDP is fairly low, but if the temperatures rise more than this, the whole economy will suffer the impacts through the extreme weather, for example.<sup>2</sup>

## Upcoming events

Date	Event
31.5.2019	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 BNEF news](#)

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