

## Market Analysis

Price of emission allowances rose sharply last week. The price of emission allowances was supported by an increase in the price of natural gas and the extra time obtained for the Brexit negotiations. In addition, the technical image was further strengthened, and support was also provided by the approaching the return date of the emission allowances at the end of April. On Wednesday, the price of the allowances rose above the very strong level of 26.0 €/t. At the same time, the price of emission allowances rose to its highest since the summer of 2008. On Wednesday evening, EU countries decided to extend Brexit negotiations until the end of October. The extension was a compromise when several countries supported a one-year extension. However, among others, with a short position in France, the extension period was placed at the end of October. The closing price of the week amounted to EUR 26.58, and at a weekly level, the price of emission allowances increased by EUR 1.98.

This week, emissions allowances have continued to rise. Support for the price of the emission allowances price has been maintained by a very strong technical picture, the approaching return date of the emission allowances of the end of April and the scant auction offer due to Easter. This week, the total auction volume is only 7.5 million tonnes.

Volumes rose from the previous week. The average trading volume last week was about 37 million allowances per day. On Wednesday was the busiest trading day with volume rising to 56 million. This week and next week, Easter will slow down the market.

## Market View

The price of emission allowances is in a very strong technical upward trend, with the price rising above the very strong resistance level of 26.0 €/t. In the early part of the week, the price of emission allowances fell on Monday and Tuesday within trading days close to the level of 26, and near the level, the market started to rise, and now the level would seem to become the support level. On Wednesday, the price rose very close to last week's highest trading figures of € 27.85/t.

In addition to a strong technical picture, the upward pressure on the price of emission allowances is maintained by the approaching return date of the emission allowances of the end of April Auction offering is also scarce and the following auctions will be held on 23 April. In addition, political uncertainty has temporarily gone away with the extra time for the Brexit negotiations.

We expect the price of emission allowances to continue to rise for the time being. Technically, the price of emission allowances is rising towards 30.0 €/t. However, as the price rises sharply, the risk of downward correction has already risen. After April, the price of emission allowances can be withdrawn after the return date of the end of April, after which any forced purchases have ended.

### EUA prices €/t 23.4.2019 9:17

Product	Bid	Ask	Last	Change*
Spot**	27.47	27.50	27.40	1.46 % ↑
Dec-19	27.56	27.58	27.57	1.85 % ↑
Dec-20	27.86	27.89	27.80	1.37 % ↑
Dec-21	28.30	28.36	28.35	2.12 % ↑

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

### sCER prices €/t 23.4.2019 9:17

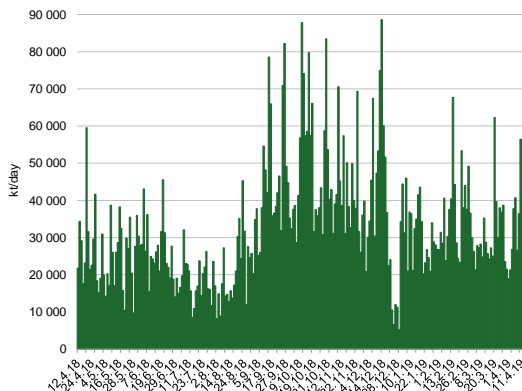
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00 %
Dec-19	0.21	0.24	0.23	-4.35 % ↓
Dec-20	0.19	0.24	0.22	-4.55 % ↓

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	27.34	11.45 % ↑

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

### Daily traded EUA volume, ICE Futures Europe\*

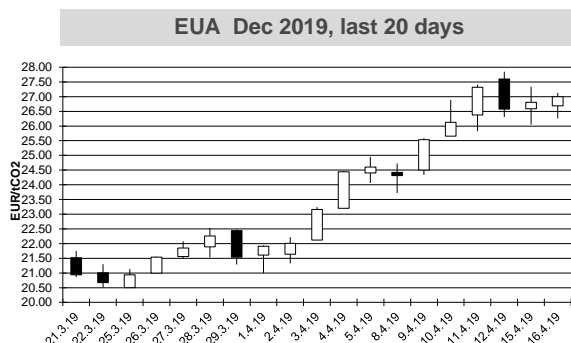
\*Daily traded volumes of EUA futures contracts at ICE Futures Europe exchange



### Energy prices 23.4.2019 9:17

Product	Unit	Prices*	Change*
ENO Q3-2019	€/MWh	42.10	-2.14 % ↓
ENO 2020	€/MWh	38.50	-0.52 % ↓
ENO 2021	€/MWh	34.08	-0.29 % ↓
ENO 2022	€/MWh	32.65	0.46 % ↑
EEX, Base load Cal-20	€/MWh	50.23	-0.92 % ↓
Brent crude	\$/bbl	72.07	0.87 % ↑
Natural gas UK (Q3-19)	p/therm	38.45	-8.13 % ↓
Coal CIF ARA API2 2020	\$/t	73.70	-1.76 % ↓

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



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

## On Agenda: Europe

In the United Kingdom, due to Brexit for the time being, free allocations are not going to be done until further clarification. British Steel has been forced to seek a 100 million pound funding from the government in order to obtain the necessary emission allowances for last year's emissions by the end of April.<sup>1</sup>

## On Agenda: Global

China plans to launch emissions trading next year for electricity generation and over the next five years, China is planning to expand its emissions trading to other industries. China's emissions trading scheme is becoming the world's largest by the middle of the next decade if China remains in its current timetable and extends much of its industry to emissions trading. China's emissions trading would then be about 6-8 billion tonnes a year, which would be about four times the EU emissions trading. The progress of China's emissions trading can play a crucial role in showing the way towards emissions trading and emission reductions in countries that are at a similar pace of economic development with China. The launch of China's national emissions trading scheme has been delayed, and earlier emissions trading should have started in 2016.<sup>2</sup>

### CDM pipeline 23.4.2019 9:17

	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
31.5.2019	Due date for applications for next phase free allowances
23-26.5.2019	European elections

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#### Sources:

[1 BBC news](#)

[2 Carbon Pulse news](#)

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