

### EUA prices €/t 10.5.2019 11:50

Product	Bid	Ask	Last	Change*
Spot**	26.40	26.44	26.33	7.60 % ↑
Dec-19	26.49	26.52	26.51	7.32 % ↑
Dec-20	26.75	26.80	26.76	7.14 % ↑
Dec-21	27.09	27.16	27.12	7.74 % ↑

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

### sCER prices €/t 10.5.2019 11:50

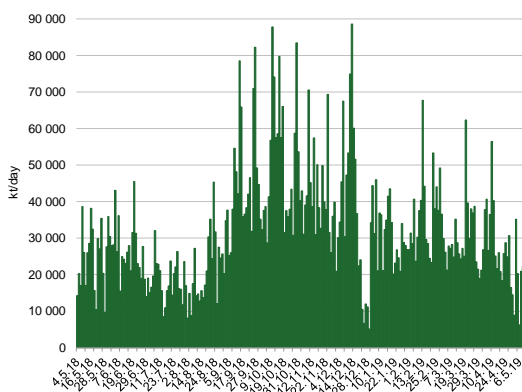
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00 %
Dec-19	0.21	0.23	0.22	0.00 %
Dec-20	0.21	0.23	0.22	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	26.29	7.38 % ↑

\*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 10.5.2019 11:50

Product	Unit	Prices*	Change*
ENO Q3-2019	€/MWh	42.45	4.00 % ↑
ENO 2020	€/MWh	37.45	3.20 % ↑
ENO 2021	€/MWh	33.70	3.00 % ↑
ENO 2022	€/MWh	32.65	2.02 % ↑
EEX, Base load Cal-20	€/MWh	49.98	2.92 % ↑
Brent crude	\$/bbl	70.81	1.06 % ↑
Natural gas UK (Q3-19)	p/therm	36.53	0.70 % ↑
Coal CIF ARA API2 2020	\$/t	70.75	0.92 % ↑

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

## Market Analysis

Emission allowance prices fell during the week starting April 29. Downward pressure on the prices was created by the end of the periodic demand due to the end-of-April deadline for the surrender of emission allowances. The weak price of natural gas and the downward correction going on in the German electricity market also created downward pressure. Later in the week, fuel prices recovered and the fall of emission prices also halted. Support for fuel and emission allowance prices was provided by the weather picture getting colder across Europe. The week's closing price was €25.18/t and at the weekly level the price of allowances retreated by €0.68.

During the current week, emission allowance prices opened with a clear decrease due to the pessimistic mood prevailing in the market. For the stock markets, the week opened with a sharp drop as Trump threatened to impose new import tariffs on Chinese products. On Monday, however, an upturn was finally seen in emission allowance prices, with the upward trajectory continuing on Tuesday as well as Wednesday. Support for emission allowance prices has been provided by the colder-than-normal weather experienced extensively across Europe, which has increased demand for energy and emission allowances.

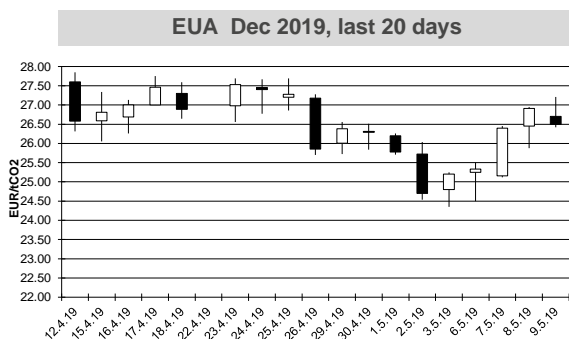
Trading volumes decreased last week. This was due to the impact of the May 1 public holiday. On Thursday last week, however, the volume exceeded 35 million.

## Market View

Emission allowance prices have rebounded again as the price support level of €24.0/t has held. Support for emission allowance prices has been provided by the weather picture with colder-than-normal temperatures seen broadly across Europe.

Stock markets have been nervous due to Trump's threat to raise import tariffs of Chinese products. The threat has brought back concerns about the escalation of the trade war and the air of high optimism seen previously has been replaced by confidence fading clearly as regards a deal being reached. The nervous mood of the stock markets has created downward pressure on fuel prices. On Monday, the generally pessimistic market mood also pulled emission allowance prices down, but later on the same day the prices returned to an upward path again. This means emission allowance prices have been strong considering the general market sentiment and are technically on their way towards April's highest trading figures, i.e. towards €27.85/t. The level may show resistance to rise but, if the level is broken, space will be generated for movement towards €30.0/t.

Trade tensions may keep the markets nervous if tensions increase in the US-Chinese trade talks. As the technical picture is strong, we expect emission allowance prices to rise towards the closest resistance levels. However, any increase in tensions will maintain a downward risk in emission allowance prices.



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

CDM pipeline	10.5.2019 11:50	
	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 Montel news](#)
- [2 Montel news](#)
- [3 Montel news](#)
- [4 Helsingin Sanomat news \(in Finnish\)](#)

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## On Agenda: Europe

Uniper's European coal production fell by 25% year on year during Q1/2019. Underlying this is the increase in the share of natural gas production as emission allowance prices have risen and at the same time the price of natural gas has fallen. For the corresponding period, Uniper's natural gas production increased by 30%.<sup>1</sup>

In the EU, carbon dioxide emissions from fossil fuel combustion decreased last year by 2.5% compared with the previous year. The largest fall in emissions was reported for Portugal where emissions decreased by up to 9%.<sup>2</sup>

## On Agenda: Global

Moody's lowered its forecasts concerning coal power use in Asia due to the increased competitiveness of renewable energy. Moody's still expects coal to remain a major power source, but government policies, the declining costs of renewables and the development of technologies may result in coal production becoming at least in part uneconomic. Moody's expects renewable power growth to be strongest in China and India. These regions have been expected to show great growth potential in the demand for coal.<sup>3</sup>

For the first time in the history of the Arctic Council, the Ministerial meeting has failed to agree on a final declaration. Underlying this is lack of consensus on the purpose of the Arctic Council itself and on the role of action against climate change in the activities of the Council. The US had objected to wordings on climate change in the final declaration and, ultimately, no joint declaration was achieved. The Chairmanship of the Arctic Council now passes from Finland to Iceland. The situation is challenging for Iceland as there now is no declaration providing direction for the Chairmanship period and relations between the Arctic States are affected by global political tensions.<sup>4</sup>