

### EUA prices €/t 17.5.2019 12:47

Product	Bid	Ask	Last	Change*
Spot**	25.17	25.21	25.07	-5.03 %
Dec-19	25.26	25.28	25.29	-4.82 %
Dec-20	25.50	25.53	25.54	-4.78 %
Dec-21	25.80	25.86	25.74	-5.36 %

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

### sCER prices €/t 17.5.2019 12:47

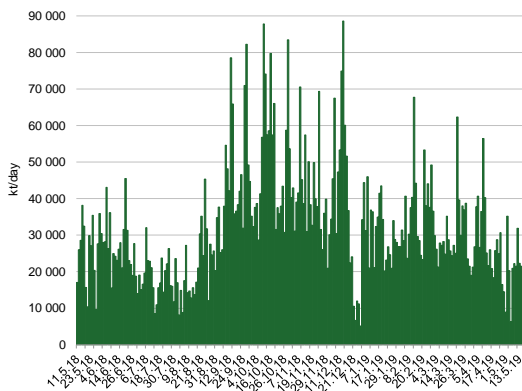
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00 %
Dec-19	0.21	0.23	0.22	0.00 %
Dec-20	0.21	0.23	0.22	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	25.07	-5.03 %

\*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 17.5.2019 12:47

Product	Unit	Prices*	Change*
ENO Q3-2019	€/MWh	39.35	-7.88 %
ENO 2020	€/MWh	36.25	-3.31 %
ENO 2021	€/MWh	33.35	-1.05 %
ENO 2022	€/MWh	32.30	-1.08 %
EEX, Base load Cal-20	€/MWh	49.43	-1.11 %
Brent crude	\$/bbl	72.78	2.71 %
Natural gas UK (Q3-19)	p/therm	34.28	-6.57 %
Coal CIF ARA API2 2020	\$/t	69.70	-1.51 %

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

## Market Analysis

The emission price increased during the first half of the week 19. The support on the emission price was caused by clearly colder weather outlook than seasonal normal widely in Europe. However, at the end of the week the emission price returned down with the nervous market sentiment and the electricity market, when again the tensions in the trade negotiations between the US and China increased. The closing price of the week was 25,59 €/t and at the weekly level the emission price was finally 0,41 € higher.

During this week the tensions between United States and China have caused concern at the market and at the beginning of the week the emission price decreased. Also weak gas price and decreasing German power market caused downward pressure. After the beginning of the week the general market sentiment settled slightly and the emission price showed a slight recovery. On Wednesday the European Commission released the data on emission allowances in circulation. The amount was slightly higher than expected, but that had no significant effects on the emission price.

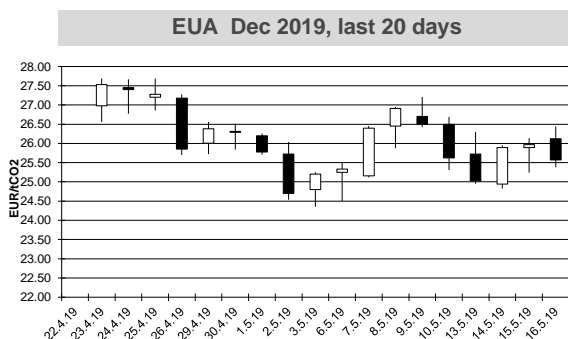
The trading volumes increased last week. The average volume increased to 25 million. On Friday last week the volume exceeded 32 million.

## Market View

The fluctuation at the electricity market and the fuel prices is caused by the uncertainty on trade negotiations between the US and China and the uncertainty reflects also to the emission price. Due to high uncertainty we expect the price fluctuation to stay high.

The emission price has slightly decreased after the first half of April, but technically the price is still both in the short term and especially in the long term in the bullish trend. The closest support level is 24,35 €/t and the possible breaking of the level would turn the contract short term trend into bearish. The closest resistance levels are 27,21 € and 27,85 €.

As to fuels, the oil price has again turned bullish despite of the nervous market sentiment. Despite of the increased oil price the gas price has continued to be extremely weak. Weak gas price has a decreasing effect on emission allowance demand and therefore the price. However, permanently tight auction supply due to MSR keeps the market tight. Weak gas price causes downward pressure also to coal price and to the electricity market. The downward pressure in coal price is however limited by extremely wide coal price difference between Europe and Asia.



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

### CDM pipeline 17.5.2019 12:47

	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 Carbon Pulse news](#)

[2 News from Ilmastouutiset \(in Finnish\)](#)

[3 The Guardian news](#)

## On Agenda: Europe

On Wednesday, the European Commission published the number of allowances in circulation at the end of 2018. The total amounted to around 1,655 million tonnes. The figure determines the amount of allowances intended to be auctioned over the period from September 2019 and August 2020. A total of 24% of the surplus are to be placed in the Market Stability Reserve (MSR), which means 397.2 million tonnes of the auction supply will be placed in the MSR. The number of allowances in circulation slightly exceeded that anticipated and therefore the number placed in the reserve is slightly higher than anticipated. Owing to the MSR operating from the beginning of this year, 24% of the allowances in circulation will be placed in the reserve over the first five years.<sup>1</sup>

An exceptionally broad coalition of actors published a Climate Action Call to take action to respond to the climate emergency. The coalition consists of hundreds of European cities, businesses, research organizations and civil society organizations that call upon European leaders to profoundly alter the way we run our societies and economies in order to limit temperature rise to 1.5 °C. According to the Climate Action Call, the new European Parliament and Commission and all EU Member States must commit to five steps to curb climate change. Click the link to read more.<sup>2</sup>

At the beginning of May, Britain passed a week without using any coal to generate electricity – the first coal-free week since the 1882 introduction of the first coal-fired plant. The share of coal-fired power has decreased in Britain as the share of renewables has increased, but coal is still needed during periods of high electricity demand.<sup>3</sup>

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