

EUA prices €/t 31.5.2019 10:37

Product	Bid	Ask	Last	Change*
Spot**	24.41	24.44	24.36	-2.91 %
Dec-19	24.49	24.51	24.50	-3.22 %
Dec-20	24.75	24.78	24.77	-3.11 %
Dec-21	25.05	25.09	25.87	0.50 %

*Change compared to the previous report ** EEX spot

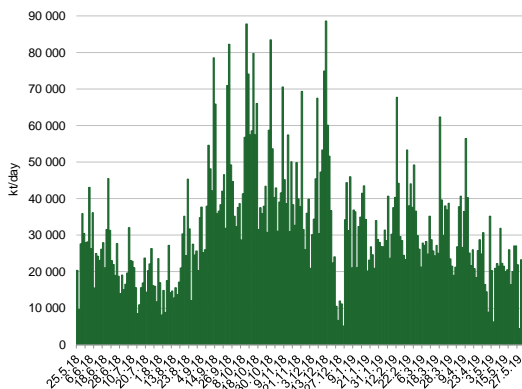
sCER prices €/t 31.5.2019 10:37

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00 %
Dec-19	0.20	0.22	0.21	-4.76 %
Dec-20	0.17	0.22	0.21	-4.76 %

*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 31.5.2019 10:37

Product	Unit	Prices*	Change*
ENO Q3-2019	€/MWh	37.00	0.27 %
ENO 2020	€/MWh	36.15	0.69 %
ENO 2021	€/MWh	33.55	0.75 %
ENO 2022	€/MWh	32.65	1.38 %
EEX, Base load Cal-20	€/MWh	48.25	-1.80 %
Brent crude	\$/bbl	65.98	-5.02 %
Natural gas UK (Q3-19)	p/therm	31.60	-4.91 %
Coal CIF ARA API2 2020	\$/t	65.25	-4.67 %

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

Market Analysis

Emission allowance prices rose during the week beginning May 20 as demand increased. Demand was boosted by supply being lower in the current week beginning May 27. With Polish auctions going well and pulled by the German electricity market, the price went up on Wednesday, but the rising trend of the early part of the week took a downturn towards the end of the week as fuel prices dropped. The week's closing price for emission allowances was €25.47, and at the weekly level the price ended up rising by €0.47.

In the current week there is no broad support to a hike in emission allowance prices, but auction supply is scarce. Because of the public holidays, there is only one auction this week. Trading volumes are likely to be low this week. Last week, 15.1 Mt in allowances were offered for sale while the figure for Tuesday this week totals 2.5 Mt. The placing of 16 million emission allowances on the market in the following week may result in a downward move towards the end of the week.

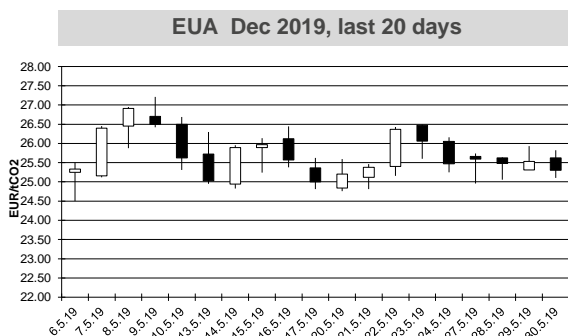
Market View

Although the price of coal is falling, its marginal cost price does not provide incentives for coal combustion as the marginal cost price for the least efficient types of coal-fired production is clearly negative at minus €6.60/MWh. The situation has remained similar over the past three months. Decline is foreseeable in the price of gas, and availability of LNG is good.

No major increase in price is in sight this week. There is a risk of decrease in emission allowance prices, and with the closest price support level of €24.35/t potentially breaking, the price may drop to €23.5/t. The closest resistance levels for the price are €25.5/t and €25.58/t. Emission allowance prices are seeking direction within the €24.57 to €25.5/t range.

The resignation of Prime Minister Theresa May increases concerns about a no-deal Brexit. Britain crashing out of the EU ETS market could have a negative impact on emission allowance prices. If the members of the House of Commons fail to agree on a withdrawal agreement, a no-deal Brexit is the default outcome when the extension provided by the EU expires on October 31.

The impact of the results of the European Parliament elections on climate and energy issues is still unclear. Although far-right parties gained seats in the Parliament, the view is that parties committed to action against climate change have more MEPs and the impact of the far right on climate issues may turn out limited.



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

CDM pipeline 31.5.2019 10:37

	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
25.6.2019	EU Energy Council

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Sources:

[1 Euractiv news](#)

[2 IEA news](#)

[3 Reuters news](#)

On Agenda: Europe

Only eight EU member states have clear plans for eliminating coal-fired power production. According to a new analysis, eleven EU countries have no plans to quit coal or are planning only a very limited decrease in their installed capacity. According to the analysis, the EU will not reach its climate objectives. The most coal-intensive countries in 2030 will be Poland, Germany, Czechia, Bulgaria, Romania and Greece. The countries are, however, benefiting from EU energy transition support schemes, which is regarded as unacceptable by many environmental groups. ¹

On Agenda: Global

The IEA reports that a decline in the use of nuclear power in advanced economies could result in billions of tonnes of additional carbon emissions into the atmosphere. Nuclear power plays a significant role in low-carbon power generation, accounting for 10% of global electricity supply. Nuclear power is facing an uncertain future, however. The nuclear fleet is ageing and market conditions are not providing incentives for the construction of new nuclear power plants, either. One third of nuclear capacity is at risk of declining by 2040. This could result in an additional 4 billion tonnes of carbon dioxide emissions. Wind and solar power capacity would have to grow fivefold from the current 580 gigawatts to offset the decline in nuclear capacity. IEA recommends that authorizations for lifetime extensions of existing nuclear plants should be sought and the energy market should be reformed so as to also value the environmental and energy security benefits of nuclear power. ²

The trade war between China and the U.S. continues. Chinese media are hinting at rare earths export restrictions against the U.S. Rare earths are chemical elements with their uses including electronics, and China supplies 80% of U.S. imports of rare earths. ³

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