

### EUA prices €/t 7.6.2019 11:59

Product	Bid	Ask	Last	Change*
Spot**	24.18	24.22	24.15	-0.87 %
Dec-19	24.26	24.28	24.27	-0.95 %
Dec-20	24.57	24.60	24.55	-0.90 %
Dec-21	24.95	24.99	24.94	-3.73 %

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

### sCER prices €/t 7.6.2019 11:59

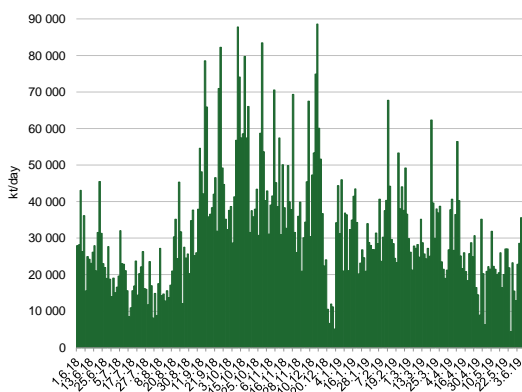
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.21	0.00 %
Dec-19	0.16	0.22	0.21	0.00 %
Dec-20	0.15	0.22	0.20	-5.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	24.06	-0.96 %

\*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 7.6.2019 11:59

Product	Unit	Prices*	Change*
ENO Q3-2019	€/MWh	32.80	-12.80 %
ENO 2020	€/MWh	35.05	-3.14 %
ENO 2021	€/MWh	32.97	-1.76 %
ENO 2022	€/MWh	32.15	-1.56 %
EEX, Base load Cal-20	€/MWh	47.17	-2.29 %
Brent crude	\$/bbl	62.67	-5.28 %
Natural gas UK (Q3-19)	p/therm	30.28	-4.36 %
Coal CIF ARA API2 2020	\$/t	64.40	-1.32 %

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

## Market Analysis

Last week, emission allowance prices were seeking direction during the first days of the week. They were supported by the scarce auction supply, and the decline seen in fuel prices also halted. Towards the end of the week, however, fuel prices and the electricity market took another downturn. Emission allowance prices also fell towards the end of the week and remained on a downward trajectory at the weekly level. Last week, downward pressure on emission allowance prices was also brought by increasing political uncertainty following May's resignation announcement. In addition, concerns about the trade war maintained a nervous market sentiment and share indices fell. The week's emission allowance closing price was €24.48 and at the weekly level the price ended up falling by €0.98.

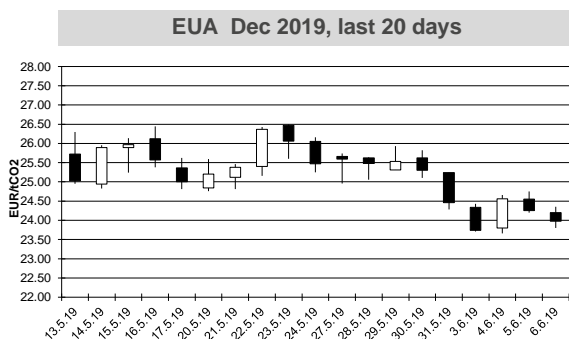
During the current week, emission allowance prices fell on Monday in the wake of continued weakness in fuel prices and the electricity market. In addition, downward pressure was created by the current week's more abundant auction supply. After Monday, however, the decline of emission allowance prices halted. Fuel prices also recovered, and the German electricity market rose slightly. On Thursday, however, the electricity market took another downturn.

## Market View

The weak fuel prices and declining electricity market create downward pressure on emission allowance prices. Also, the technical picture for emission allowance prices has taken a downturn over the short term as the closest technical support level for the price (€24.35 €/t) was broken on Monday. Downward pressure on emission allowance prices is also created by the political uncertainty relating to dealing with Brexit.

During the current week, indices have taken an upturn in the stock market as trade war concerns have subsided slightly. Indices have been supported by the Federal Reserve chairman's comments sending the signal that interest rates might be cut. The Fed is switching from interest rate hikes to cuts due to the slowdown in growth and concerns related to the trade war.

Owing to the weakened technical picture, very weak fuel prices and declining electricity market, we expect a fall to be more likely than a rise in emission allowance prices in the short term.



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

## On Agenda: Europe

According to official data published by the European Environment Agency (EEA), total greenhouse emissions in the European Union increased by 0.7% in 2017. Less coal was used to produce electricity and heat, but this was offset by higher industrial and transport emissions. From 1990 to 2017, the EU reduced its greenhouse gas emissions by 21.7%. The EU is therefore still exceeding its 20% reduction target set for 2020. The largest emission cuts have been made in the energy sector due to efficiency improvements, increased use of renewables and less carbon-intensive mix of fossil fuels. Energy efficiency and renewable energy will continue to play a key role in cutting future emissions and helping the EU achieve its 40% reduction target by 2030.<sup>1</sup>

### CDM pipeline 7.6.2019 11:59

	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

China's environment ministry has ordered provincial governments to produce lists of power plants to be included in the national ETS. The latest order by the environment ministry tasked provincial and regional governments to list those power plants located in their jurisdictions that emit more than 26,000 tonnes of carbon dioxide per year, the amount set as the inclusion threshold for the ETS. Around 1,700 entities generating an annual total of 3–3.5 billion tonnes of carbon dioxide emissions are expected to be included in the market. The market will initially only cover the energy sector as it has the best historical emissions data, but the scope will be gradually expanded to cover sectors including petrochemical, chemical, building materials, steel, nonferrous metals, paper and domestic aviation. Officials have stated they expect the first trade in the national ETS to be made next year.<sup>2</sup>

### 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 EEA news](#)

[2 Carbon Pulse news](#)

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