

EUA prices €/t 27.6.2019 12:18

Product	Bid	Ask	Last	Change*
Spot**	27.11	27.16	27.11	8.74 % ↑
Dec-19	27.16	27.18	27.17	8.65 % ↑
Dec-20	27.49	27.54	27.50	8.65 % ↑
Dec-21	27.95	28.02	27.98	8.86 % ↑

*Change compared to the previous report ** EEX spot

sCER prices €/t 27.6.2019 12:18

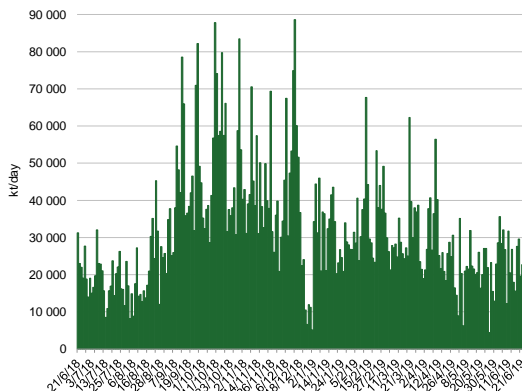
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.21	0.00 %
Dec-19	0.17	0.22	0.21	4.76 % ↑
Dec-20	0.15	0.21	0.20	5.00 % ↑

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	26.96	8.68 % ↑

*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 27.6.2019 12:18

Product	Unit	Prices*	Change*
ENO Q3-2019	€/MWh	32.75	3.21 % ↑
ENO 2020	€/MWh	36.55	5.34 % ↑
ENO 2021	€/MWh	34.50	4.64 % ↑
ENO 2022	€/MWh	33.55	3.79 % ↑
EEX, Base load Cal-20	€/MWh	49.46	3.34 % ↑
Brent crude	\$/bbl	65.97	7.25 % ↑
Natural gas UK (Q3-19)	p/therm	27.44	-12.19 % ↓
Coal CIF ARA API2 2020	\$/t	64.55	0.23 % ↑

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

Market Analysis

The emission allowances market was seeking direction last week. Emission allowance prices were hovering close to €25/t without any larger movements. Market interest was reduced by the expiry of June options. Burning gas was also still more profitable than burning coal, which reduced the demand for emission allowances. On Friday, emission allowance prices rose slightly as the tensions between the U.S. and Iran increased, and the price of gas went up. The Friday closing price ended up being €25.05/t, taking emission allowances up by €0.25 at the weekly level. Volumes were low in the first days of the week but increased for the rest of the week.

The current week got off to a strong start as emission allowance prices reached their intra-month record high. On Monday, emission allowances opened at €25.35/t and closed at €26.37/t, breaking through the resistance levels. Upward movement was also seen in the electricity and fuel markets, with emission allowances also rising in their wake. Monday's volumes were also high: 29.5 million on the ICE and 13.6 million elsewhere on the exchange. On Tuesday, the climb subsided, closing at €26.41/t. Tuesday price was affected by the announcement of the cancellation of Tuesday's EU Common Auction Platform (CAP) auction due to low interest as the clearing price was significantly under the price on the secondary market. The volume intended for Tuesday will be distributed over the next four EU auctions. Lack of interest can be seen as a sign of an upcoming price drop.

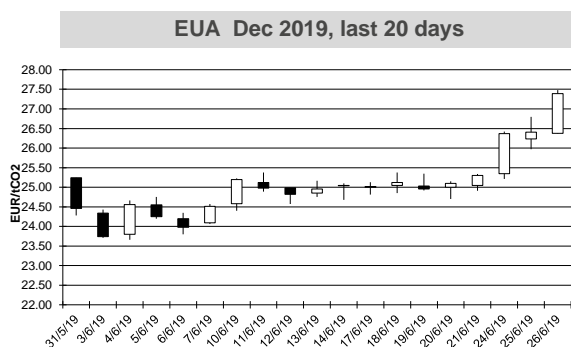
Market View

Political uncertainty continues. Fuel prices, particularly oil, were on the increase in the first days of the week. Oil price is maintained by mounting geopolitical tensions, which is likely to also affect gas price. The G20 talks at the end of the month may have an impact on the trade war between China and the U.S. and, consequently, on the market in general. The British prime minister candidate Boris Johnson has said that a no-deal Brexit is possible, and Britain will in any case leave the EU by October 31. Despite major support, the meeting of the Council of the EU failed to reach an agreement on the decision to set higher EU emission targets.

Emission allowance prices are supported by the weather getting hotter in Central Europe, which will increase the need for cooling and burning coal. The month as well as the quarter change at the end of this week and positions will be closed or swapped, which may restrict price hikes.

Technically, the DEC-19 product is on a strong increase, having risen through several resistance levels. The price is already approaching the peak levels seen in early April. The MACD is also signalling a bullish trend. On Wednesday in the current week the €26.49/t and €27/t levels were broken and the closest resistance levels are €27.21/t and €27.85/t. The closest support levels are €25 and €24.40/t.

On Agenda: Europe



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

France will fall short of its own emission cut targets. In 2015–2018, its emissions fell by just 1.1% while the target had been a 1.9% reduction. The French parliament is preparing an energy bill that targets net zero emissions by 2050. The climate council set up by President Macron criticized that the targets are unlikely to be met with current policies. The rate of emission reductions being too low is mainly due to transport emissions and emissions from buildings. Efforts to curb transport emissions through taxation have resulted in protests in France. Tax breaks intended to encourage consumers to better insulate their homes have not proven to be of use. The French Prime Minister said in his statement that the government would formulate a first response to the climate council's recommendations in July.¹

On Agenda: Global

Ahead of the G20 meeting, fund managers are calling on world leaders to take climate action by bringing in carbon pricing and phasing out coal power. Fund managers and investors around the world have signed a letter urging to curb global warming to 1.5 °C. In an open letter to the governments of the world, groups representing 477 investors stressed the urgency of decisive action on climate change. The letter called for the governments to strengthen their Paris Agreement targets by 2020, phase out thermal coal power and fossil fuel subsidies and set a robust global carbon price by 2020.²

CDM pipeline 27.6.2019 12:18

	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
1.7.2019	Finland's Presidency of the Council of Europe starts
22.7.2019	The result of Britain's next Prime minister selection

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Sources:

[1 Reuters news](#)

[2 Reuters news](#)

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