

EUA prices €/t 1.8.2019 13:05

Product	Bid	Ask	Last	Change*
Spot**	28.90	28.91	28.92	-2.28 %
Dec-19	28.93	28.94	28.95	-2.25 %
Dec-20	29.28	29.29	29.30	-2.25 %
Dec-21	29.77	29.82	29.93	-1.90 %

*Change compared to the previous report ** EEX spot

sCER prices €/t 1.8.2019 13:05

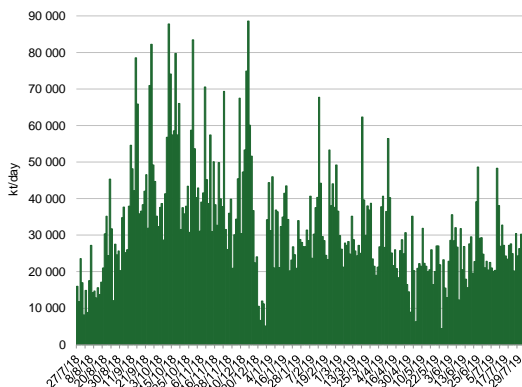
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.21	0.00 %
Dec-19	0.19	0.22	0.21	4.76 %
Dec-20	0.19	0.21	0.20	10.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	28.74	-2.30 %

*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 1.8.2019 13:05

Product	Unit	Prices*	Change*
ENO Q4-2019	€/MWh	42.60	-3.52 %
ENO 2020	€/MWh	37.69	-2.15 %
ENO 2021	€/MWh	34.67	-0.37 %
ENO 2022	€/MWh	33.50	-1.04 %
EEX, Base load Cal-20	€/MWh	51.25	-2.99 %
Brent crude	\$/bbl	64.32	1.21 %
Natural gas UK (Q4-19)	p/therm	44.88	-3.93 %
Coal CIF ARA API2 2020	\$/t	67.40	-2.97 %

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

Market Analysis

Last week's hot weather across Europe kept emission allowance prices on an upward trajectory and prices reached a new record. Monday saw intraday fluctuation and the price closed just 10 eurocents up. The price rise was Tuesday was clearer as the weather increased the need for cooling and the day closed at €29.81/t, a new 13-year record. Wednesday saw the intraday price tested at €29.95/t, but the price started to fall towards the end of the day probably because of profits being cashing in. The fall continued for the rest of the week as the weather forecasts showed that the hot weather would recede. Friday broke through the support level of €29/t and the day closed at €28.29/t, which meant the price of an emission allowance was down 60 eurocents on the week.

Trading volumes remained strong last week, with a daily trading average of 21 million tonnes on the exchange. The amount of block trades was also fairly high, which may indicate that hedges were made ahead of the lower volumes coming up for auction in August. Buying interests at auctions were fairly weak and only on Tuesday was the auction price higher than the market price, whereas the price was lower than the market price in the other three auctions during the week.

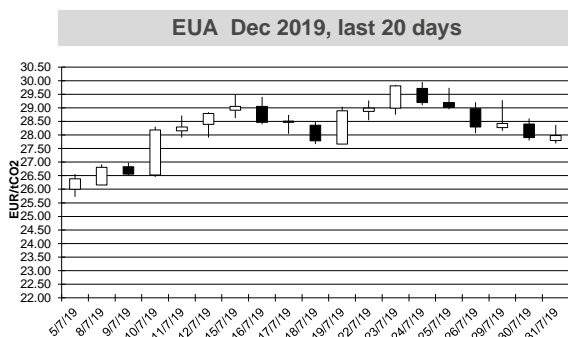
During the current week, emission allowance prices have been seeking a direction. Strong support and resistance levels are restricting the rise and fall. Renewables production is increasing and the weather is not supporting emission allowance prices. There are five auctions in all this week and 1.5 million emission allowances more on offer than last week.

Market View

Starting on Thursday, the volume of emission allowances coming up for auction will be halved during August, which may support the price of allowances. On the fuel markets, gas and coal have been on a downward path. The decreased price of gas may exert downward pressure and promote a switch to coal in condensing power. Oil prices are slightly up since geopolitical tensions and the uncertainties brought by the trade war between the USA and China are creating price uncertainty. Temperatures will remain normal for the time of the year. Wednesday's decision by the Fed to cut interest rates may affect general market sentiment. No decisions affecting emission allowances are expected in August as the EU administration starts its summer recess.

The downward trend over the past few days may be a sign of a change of direction for emission allowances. Resistance levels for emission allowance prices have, however, been robust at a level of €29.69/t, last week's peak of €29.95/t and an all-time record of €31/t. Support levels are €27.75/t, €27/t and €26.38/t. We expect emission allowance prices to move between €27-€30/t.

On Agenda: Europe



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

Sweden has introduced a tax that aims to phase out the country's last remaining coal- and gas-fired power plants. However, the tax has had an unintentional consequence in towns and cities. Increased payment for fossil fuels has rendered the power plants using them unprofitable and production has been stopped or cut. In the Stockholm and Malmö regions this means local power shortfall and new points such as homes and factories cannot be connected to the network. The problem is due to a shortage of transmission links within the country. According to the leader of the opposition, the capacity problem is a big enough reason to slow down the rate at which nuclear power and fossil fuel-power plants are phased out.¹

On Agenda: Global

CDM pipeline	1.8.2019 13:05	
	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

Earth's natural resources budget was consumed this year on July 29. This means that humanity has consumed its natural resources in seven months when they should last for the whole year. Earth Overshoot Day marks the date on which humanity's annual demand on nature exceeds what Earth's ecosystems can regenerate in that year and covers the greenhouse gases originating from the use of fossil fuels. This means humanity would need 1.75 Earths to carry the burden of existing consumption. The date of Earth Overshoot Day is based on calculations made by Global Footprint Network. Finnish Earth Overshoot Day this year was way back on April 5.²

Upcoming events	
Date	Event
16.-19.9.2019	European Parliament Plenary
23.9.2019	Climate Action Summit hosted by UN Secretary-General

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Sources:

- [1 Bloomberg news](#)
- [2 Finnish Ministry of the Environment news](#)

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