

### EUA prices €/t 9.8.2019 11:34

Product	Bid	Ask	Last	Change*
Spot**	28.57	28.61	28.48	-3.86 %
Dec-19	28.61	28.63	28.62	-3.42 %
Dec-20	28.89	28.92	28.91	-3.63 %
Dec-21	29.35	29.40	29.35	-3.92 %

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

### sCER prices €/t 9.8.2019 11:34

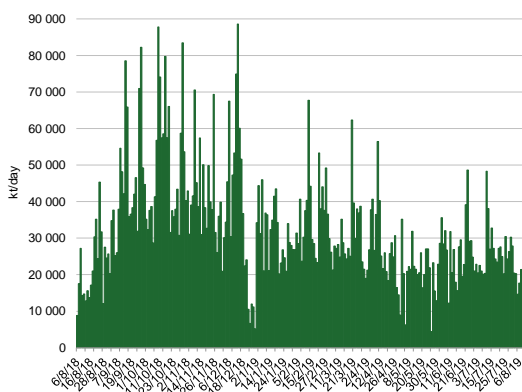
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.21	0.00 %
Dec-19	0.19	0.22	0.21	4.76 %
Dec-20	0.17	0.21	0.20	10.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	28.41	-3.48 %

\*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 9.8.2019 11:34

Product	Unit	Prices*	Change*
ENO Q4-2019	€/MWh	37.83	-16.57 %
ENO 2020	€/MWh	35.93	-7.15 %
ENO 2021	€/MWh	34.30	-1.46 %
ENO 2022	€/MWh	33.25	-1.80 %
EEX, Base load Cal-20	€/MWh	50.45	-4.62 %
Brent crude	\$/bbl	57.67	-10.18 %
Natural gas UK (Q4-19)	p/therm	46.19	-0.99 %
Coal CIF ARA API2 2020	\$/t	65.15	-6.52 %

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

## Market Analysis

Emission allowance prices were fluctuating last week. On Monday, an intraday climb above €29/t was attempted, but the rise ended up being very small at the daily level. Tuesday in turn was a bearish day with a dip below the €28/t support level. Wednesday saw a slight upward correction above the level. Thursday was the first day of August and the start of the halved auction sale quantities. This coupled with the rising fuel prices drove emission allowance prices into considerable gains. The prices climbed close to the previous week's record levels and closed at €29.45/t. On Friday, the China-U.S. tensions generally pulled markets down, with emission allowance prices also slipping in their wake and closing the week at €29.26/t. At the weekly level emission allowance prices were up 97 cents.

Trading volumes were still strong in the first days of the week and averaged 20 million, but the start of the European holiday season took daily volumes down to 16 million.

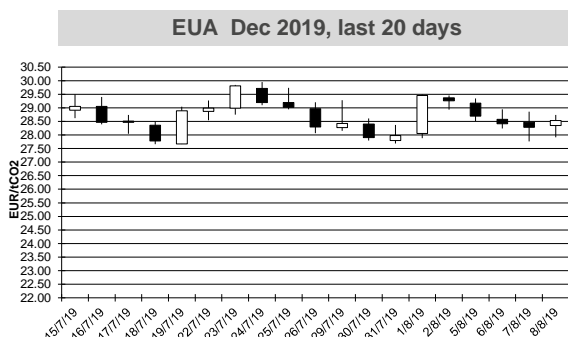
During the current week, emission allowance prices have been declining, reflecting the general market trend. The week's auction supply has been considerably lower than last week's as the entire week's sale quantities have been halved and there is no Polish auction on Wednesday. This week's auction supply is only 5.77 million allowances. The past three auctions' bid-to-cover ratio has been above 2.5 and prices have cleared close to market.

## Market View

Except for August's halved auction supply, support for emission allowance prices is rather weak. It is also likely that market participants have prepared for this month's slashed supply in advance. General uncertainty in the financial market is created by the trade tensions between China and the U.S., which gained momentum in the current week as the U.S. introduced new tariffs on China and accused China of currency manipulation. This resulted in shares sliding in Asia and the U.S. The price of oil has also been slipping as trade war tensions have increased. The supply of gas has been good and prices are low. The front year product's fuel switching cost has moved downwards. The weather is not supporting emission allowances, either, as August in Europe is turning out rainier and cooler. Wind power production is also on the increase.

The short-term trend for emission allowances is bearish. This week, the support level of €28/t and the 20-day moving average have supported emission allowance prices. Emission allowance resistance levels are found at €29.49/t, last week's peak of €29.81/t as well as the psychological level of €30/t. The €27.60/t support level has been tested many times in recent weeks but has held. Other support levels found are €28/t and €27/t. We expect emission allowance prices to be moving in the €27-€29.5/t range.

## On Agenda: Europe



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

According to a study, the July heatwave in Europe was 3 °C hotter because of climate change. July temperatures soared above 40 °C and in France the new record temperature was 2 °C higher than the previous one. July was also the warmest month ever recorded worldwide. The probability of a heatwave depends a lot on factors such as location and season. In France the heatwave was made 10 to 100 times more likely by human activities. This means that, without human-induced global warming, a similar heatwave would only happen less than once in a thousand years. The slightly shorter heatwave in the U.K. was at least twice as likely. The impact of climate change increased the intensity of the heatwave by 1.5–3 °C. Increased atmospheric carbon dioxide levels increase the likelihood of more heatwaves in the future. <sup>1, 2</sup>

### CDM pipeline 9.8.2019 11:34

	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

According to the latest Intergovernmental Panel on Climate Change (IPCC) report, more carbon sinks and less meat consumption are needed to curb climate change. It will be impossible to keep global temperatures at safe levels without changes in the way the world produces food and manages land. Humans exploit 72% of the planet's ice-free surface. Forestry, agriculture and other land use produces a quarter of the world's greenhouse gas emissions. According to the report, land use will have to be more sustainable so that it releases less carbon dioxide that at present. Measures put forward by the report include reduced meat consumption, diverse cultivation of plants, protection of mires and peatlands, planting forests and placing global restrictions on bioenergy use. <sup>3</sup>

### Upcoming events

Date	Event
24.-26.8.2019	G7 Summit
23.9.2019	Climate Action Summit hosted by UN Secretary-General

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#### Sources:

[1 BBC news](#)

[2 BBC news](#)

[3 The Guardian news](#)

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