

EUA prices €/t 6.9.2019 12:09

Product	Bid	Ask	Last	Change*
Spot**	25.45	25.48	25.52	-1.76 %
Dec-19	25.46	25.48	25.46	-1.96 %
Dec-20	25.68	25.70	25.68	-2.02 %
Dec-21	26.03	26.08	26.02	-2.77 %

*Change compared to the previous report ** EEX spot

sCER prices €/t 6.9.2019 12:09

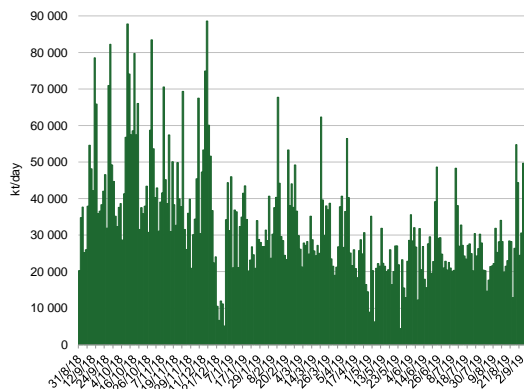
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.20	0.21	4.76 %
Dec-19	0.17	0.22	0.21	0.00 %
Dec-20	0.15	0.21	0.20	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	25.25	-1.98 %

*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 6.9.2019 12:09

Product	Unit	Prices*	Change*
ENO Q4-2019	€/MWh	35.65	-4.35 %
ENO 2020	€/MWh	33.55	-1.01 %
ENO 2021	€/MWh	32.95	0.15 %
ENO 2022	€/MWh	32.56	0.28 %
EEX, Base load Cal-20	€/MWh	47.47	-0.02 %
Brent crude	\$/bbl	60.97	1.00 %
Natural gas UK (Q4-19)	p/therm	40.13	-0.95 %
Coal CIF ARA API2 2020	\$/t	64.90	3.54 %

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

Market Analysis

Last week there was a turn in emission allowance prices, and it was the first time in August that the prices ended up being up at the weekly level. There was no EEX auction on Monday, and the easing of the trade war also had a positive price impact and emission allowance prices opened bullish. On Tuesday the prices dipped; the Tuesday auction result was bearish, and the figures published on Tuesday concerning German economic performance were weak. On Wednesday the prices recovered again as oil prices increased. With oil prices continuing their rise on Thursday as Hurricane Dorian was posing a threat to Gulf of Mexico oil production, emission allowance prices also started to climb towards the end of the day. Friday closed on a downward trajectory at the daily level at €26.32/t. At the weekly level, however, the prices were up by €1.22.

ICE trading volumes of the DEC-19 product were low on Monday but increased towards the end of the week. The Thursday volumes (39 million) included 20 million in EFP trades, which were probably position swaps by large market participants.

This week's auction volumes are at the normal level again after August's halved supply. There are only three auctions this week. The week's auction supply will increase by 1.6 million to 8.3 million tonnes. On Monday this week, emission allowances sank again, reversing last week's gains. From Tuesday to Thursday the prices have climbed slightly again.

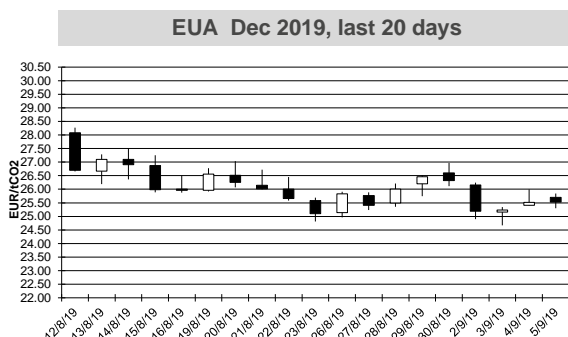
Market View

The recent decline can in part be attributed to Brexit-related uncertainties, and if the British Parliament succeeds in postponing a no-deal Brexit, this may have a bullish impact on emission allowance prices. The House of Commons has voted to approve a bill to block a no-deal Brexit, but the bill still needs to pass through the House of Lords.

On Friday last week, a German court ruled that the Jänschwalde lignite (brown coal) mine had acted unlawfully and its operations will have to shut down. The mine supplies fuel to a nearby 2.5 GW power plant. If the power plant is closed down by the end of the year, this may have a slight impact on the demand for emission allowances. The ruling has, however, had a slight bullish effect on German quarterly product and coal prices, which may slightly compensate for the downward pressure on emission allowance prices.

At the start of September there is less volatility in European weather as the heatwaves are over, but the weather is not particularly cold yet. Gas is still positioned first in the dispatch order of generation plants. Gas reserves are, however, very full for the time of year, so fuel switches to gas are not likely to increase further. Low gas prices have also provided incentives for gas-fired production this year, reducing coal consumption.

There is limited support for emission allowance prices, and the prices are highly dependent on political factors. This week has seen a rise on Monday from the low of €24.90/t. Other support levels are found at €25.50/t and €25/t. Resistance levels are found at the psychological level of €26/t, the current 100-day moving average of €26.46/t as well as €27/t. We expect emission allowances to be moving in the €25-€26.50/t range.



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

CDM pipeline	6.9.2019 12:09	
	Amount	Change
Number of projects**	8380	-76
Registered projects*	7808	53
Volume of the pipeline by the year 2020, MtCO2e**	515	408.86
Issued CERs, MtCO2e*	1985	198

*Change compared to the previous report.

**Pipeline: UNEP/Risoe is updated monthly. Registered projects and issued CERs: UNFCCC

Upcoming events	
Date	Event
ab. 20.9.2019	Germany's decision on CO2 pricing
23.9.2019	Climate Action Summit hosted by UN Secretary-General

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Sources:

[1 Euractiv news](#)

[2 Bloomberg news](#)

On Agenda: Europe

The likely new president of the European Central Bank (ECB) Christine Lagarde has suggested the bank should move towards more green products. Lagarde proposed the phasing out of carbon-intensive products in the ECB's portfolio by preferring greener ones. The ECP investing in green bonds could also provide the market with a signal and result in its growth. According to Lagarde, central banks contributing to climate change mitigation should be seen as a priority. Lagarde faces a confirmation vote regarding her appointment next month. As the head of the IMF, Lagarde campaigned for greater disclosure of the risks posed by climate change to the financial system and was critical of fossil fuel subsidies. ECB investment decisions have been governed by the principle of market neutrality, which must also be taken into account by the EU when defining what constitutes a green asset.¹

On Agenda: Global

Investments by major oil companies in clean energy are going to set a record this year. European companies are in the lead ahead of the U.S. in this respect. Since 2010, European fossil fuel producers have concluded almost seven times as many deals with renewable energy and storage companies than their U.S. counterparts. Changes in shareholder and consumer preferences and evolving technologies have forced oil and gas companies to re-evaluate their strategies and explore new business streams. This year has already seen 70 deals in sectors such as solar, wind and biofuels, which is already surpassing last year's total. Investments in small projects as well as digital and efficiency technologies have become more popular, with solar also gaining popularity. In the future, investments in hydrogen may increase as hydrogen production costs fall.²

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