

EUA prices €/t 18.9.2019 13:08

Product	Bid	Ask	Last	Change*
Spot**	25.54	25.56	25.52	-3.76 %
Dec-19	25.54	25.56	25.55	-3.29 %
Dec-20	25.78	25.80	25.79	-3.57 %
Dec-21	26.17	26.21	26.20	-3.78 %

*Change compared to the previous report ** EEX spot

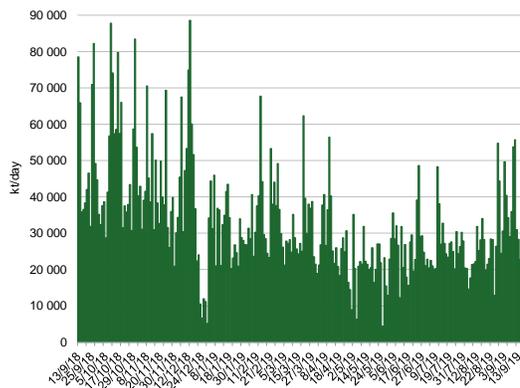
sCER prices €/t 18.9.2019 13:08

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

*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 18.9.2019 13:08

Product	Unit	Prices*	Change*
ENO Q4-2019	€/MWh	37.50	-2.67 %
ENO 2020	€/MWh	35.59	1.66 %
ENO 2021	€/MWh	34.10	1.03 %
ENO 2022	€/MWh	33.10	0.76 %
EEX, Base load Cal-20	€/MWh	50.95	2.12 %
Brent crude	\$/bbl	64.16	1.89 %
Natural gas UK (Q4-19)	p/therm	44.26	-4.00 %
Coal CIF ARA API2 2020	\$/t	69.65	1.65 %

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

Market Analysis

Last week, emission allowance prices increased. On Monday, the prices were seeking direction. On Tuesday, emission allowance prices took an upturn as faulty components were found in French nuclear power plants. Fears of closures of French nuclear reactors sent European electricity, fuel and emission allowance markets soaring. Denmark's announcement to phase out gas production eight years earlier than planned and the European Court of Justice decision to curtail Gazprom's access to the Nord Stream pipeline link supported a bullish market. The increase on Tuesday was €1.7 per day, closing at €26.72/t. For the rest of the week, emission allowances were seeking direction roughly in the €26–€27/t range. On Wednesday, there was a slight downward correction from the Tuesday rise, while the Thursday candle was slightly bullish. Friday closed at €26.38/t. At the weekly level the prices were up €1.30 or around 5%. Last week the auction bid-to-cover ratio averaged below 2.

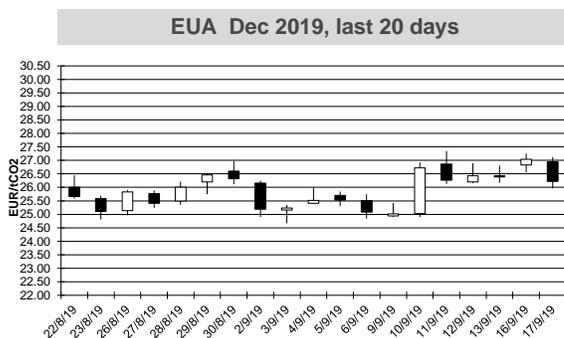
This week there were 11.1 million allowances auctioned. Without the biweekly Polish auction, this week's auction supply is 4.7 million lower than last week's. This may provide support for the DEC-19 product this week as demand may be strong. During the current week, emission allowance prices have been moving in the €26.5–€27/t range.

Market View

Fuel markets were bullish on Monday this week as the attack on the Saudi Arabian crude oil processing facility cuts global oil output by oil around 5%. Brent logged the sharpest intraday gain on record, and coal and gas prices have also climbed slightly. The oil market, and consequently the entire energy system, is likely to be affected strongly by updates on how quick the Saudi oil output recovery will be.

Towards the end of this week, Germany is due to announce its plans on how to slash carbon dioxide emissions. The investment package may be worth up to €50 billion. The aim is to price transport and heating of buildings. News is also expected this week on the status of French nuclear power plants and any measures required. If closures of nuclear reactors are needed for the duration of steam generator repairs, the increased burning of fossil fuels will increase the demand for emission allowances. Prices may also drop if no measures are taken.

We expect emission allowances to rise, but there is a lot of uncertainty in the market due to Brexit, the French nuclear power stations and the situation in the fuel market. Emission allowances are technically bullish. At the moment the closest support level is the psychological level at €26/t, which is also the 100-day moving average. There are also other support levels at €25.50/t and the often-unbroken €25/t. Resistance levels are found at the psychological level of €27/t, which was tested last week. A climb above this level would probably take the prices onto a new upward trajectory. Other support levels found are €27.48/t and €28/t. We expect emission allowance prices to be moving in the €26–€28/t range.



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

CDM pipeline		18.9.2019 13:08	
	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
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 Montel news](#)

[2 Energiautiset.fi news \(in Finnish\)](#)

[3 BBC news](#)

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On Agenda: Europe

The French parliament has adopted a new energy and climate bill. The bill increases the volume of nuclear power EDF must sell to domestic competitors 50% to 150 TWh per year. It also contains plans to postpone the 50% reduction in the share of nuclear in electricity production. Nuclear currently accounts for 75% in French electricity production. The bill targets carbon neutrality by 2050, forcing France's remaining four coal-fired power plants to close by 2022. By 2030, 33% of the country's energy production should be based on renewables, up 16% from the 2018 level. The aim is to develop at least 1 GW per year of wind at sea until 2024. The postponement of the nuclear reduction has been criticized by environmentalists. ¹

On Agenda: Global

Global renewable energy investment will reach €2.3 billion by the end of this decade. According to a U.N. report, the amount will more than triple from the previous decade. The investment has built 1.2 TW of new renewable energy capacity – more than half of the world's total power capacity installed in the 2010s. The biggest investing country during the current decade has been China, which has already committed €683 billion. Europe has invested €629 billion and the U.S. €321 billion. The increase stems from a slump in investment costs; with the biggest cost drop seen in solar power, which has also attracted the most investment. By the end of 2019, 638 GW of solar capacity will have been installed. Renewables still only represent 12.9% of total electricity produced if large hydro is excluded. Progress is slowed particularly by fossil fuel subsidies, which run into the hundreds of billions of euros each year. Despite the growth of renewables, global emissions have risen in the current decade. At the U.N. climate summit this month, the Secretary-General is expected to call for countries to give more concrete and ambitious plans to curb global warming. ²

Used widely as an insulating material in medium- and high-voltage equipment, sulfur hexafluoride, or SF6, has the highest global warming potential of any known substance. The gas is up to 23,500 times more warming than carbon dioxide. SF6 is used in installations including wind turbines and large power plants to prevent short circuits and fires. Connections to the electricity grid have increased as the ways electricity is made have changed and increased. More and more SF6 is used because it is a cheap and reliable gas. The atmospheric concentration of SF6 has also doubled in the last two decades. The gas leaks into the atmosphere from electrical switchgear. There are few viable alternatives to the use of SF6. The European Union will review the use of SF6 and its alternatives next year, but any ban is unlikely to be put in place before 2025. ³