

EUA prices €/t 25.9.2019 12:47

Product	Bid	Ask	Last	Change*
Spot**	25.12	25.14	25.14	-5.97 %
Dec-19	25.14	25.15	25.13	-6.17 %
Dec-20	25.37	25.39	25.40	-5.83 %
Dec-21	25.80	25.82	25.82	-5.69 %

*Change compared to the previous report ** EEX spot

sCER prices €/t 25.9.2019 12:47

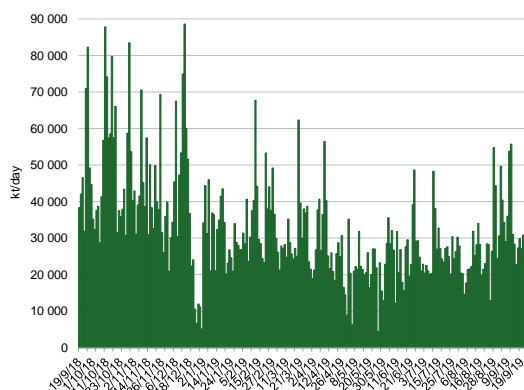
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.21	0.21	4.76 %
Dec-19	0.17	0.22	0.21	0.00 %
Dec-20	0.15	0.21	0.20	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	24.92	-6.26 %

*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 25.9.2019 12:47

Product	Unit	Prices*	Change*
ENO Q4-2019	€/MWh	37.70	-1.33 %
ENO 2020	€/MWh	35.70	-0.84 %
ENO 2021	€/MWh	33.80	-1.48 %
ENO 2022	€/MWh	33.00	-0.61 %
EEX, Base load Cal-20	€/MWh	49.45	-4.55 %
Brent crude	\$/bbl	62.13	-9.54 %
Natural gas UK (Q4-19)	p/therm	42.28	-13.31 %
Coal CIF ARA API2 2020	\$/t	67.70	-4.73 %

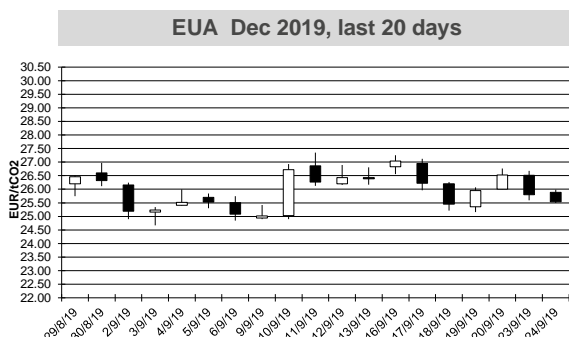
*Change compared to the previous report **Last trade price

Market Analysis

Last week there was volatility in emission allowance prices due to global news. On Monday, the prices climbed slightly to test the €27/t level as the entire energy system took an upturn pulled by the record surge of oil following the attacks on Saudi Arabian oil facilities. On Tuesday, the prices pulled back as Saudi Arabia announced that the full recovery of the facilities will be quick. On Wednesday, the French EDF announced that the faulty nuclear power plant components will not result in any extra closures for repairs and the fall of the emission allowances continued. On Thursday, the prices took an upturn. The rise continued on Friday, driven by news of Germany's climate policy. Friday closed at €26.53/t, taking emission allowances down by €0.15 at the weekly level. The Polish auction is scheduled for this week, which increases the auction supply. The total volume is 15.8 million tonnes, up 4.7 million from last week. Demand was not high at last week's auctions, so the increased supply is likely to create downward price pressure this week. The German Manufacturing Purchasing Managers' Index (PMI) has dropped to its worst level since 2012, pushing emission allowance prices down on Monday this week.

Market View

Germany has decided on a pricing system for national heating and transport emissions and aims to also push for a carbon price floor model for the EU ETS. This, however, would require negotiations, and resistance by Eastern European countries is likely to prevent any speedy progress. The impact of Germany's decision on emission allowance prices may be slightly bullish over the long term; investment in renewable energy is likely to reduce demand in EU ETS as well and Germany does not currently intend to cancel ETS permits in line with the phasing out of coal. The weather in Europe is mild and the production of renewables at a good level, but there may yet be developments in the French nuclear power situation that may also affect emission allowance prices as regards quarterly products. Price swings will probably be restricted by the September expiry of EUA options, with the exercise price of 8 million allowances being in the €25–€27/t range. The UK Supreme Court has ruled that Boris Johnson's decision to suspend Parliament was unlawful. Johnson's attempt to prevent Parliament from working was one of the final bids to guarantee Brexit by the end of October. The ruling may have a slight bullish effect on emission allowance prices as it slightly reduces the threat of a no-deal Brexit. We expect emission allowance prices to be seeking direction. Market signals are highly contradictory and emission allowance prices have been moving recently in the €25–€27/t range. At the moment the closest support level is at the psychological level of €25.50/t. Other support levels are the often-unbroken €25/t, and €24.44/t. Resistance levels are found at the psychological level of €27/t, which has been tested many times. Other resistance levels are found at €26.55/t, €27.48/t and €28/t. We expect emission allowance prices to be moving in the €25–€27/t range.



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

CDM pipeline 25.9.2019 12:47

	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

Contacts:

Markus Herranen

Toni Sjöblom

Laura Pokka

E-mail: firstname.lastname@gasum.com

Sources:

[1 Bloomberg news](#)

[2 Carbon Pulse news](#)

[3 Helsingin Sanomat news \(in Finnish\)](#)

Terms of delivery: The Emissions Trading Weekly (the "Review") is delivered via email to the Buyer's contact persons as an Adobe Acrobat pdf-document. All rights to the Review are reserved to Gasum Portfolio Services Oy. The Review, parts of the Review and the username and password that enable access to the Review, shall not be redistributed by the Buyer in any form to any third party, including subsidiaries, partly -owned companies and owners. Redistribution of the Review in any form is illegal and Gasum Portfolio Services Oy will fully enforce all available legal remedies in the event of such redistribution.

Gasum Portfolio Services Oy disclaims all warranties as to the accuracy, completeness or adequacy of information in the Review and does not assume any responsibility of delays in delivery of or access to the Review. The Buyer assumes full responsibility and risk of, and Gasum Portfolio Services Oy shall not be liable for, any loss which results from any transactions or decisions made by the Buyer on the basis of the Review supplied by Gasum Portfolio Services Oy. The Buyer shall accept sole responsibility for and Gasum Portfolio Services Oy shall not be liable for the use of the Review by the Buyer (or any user) and the Buyer shall hold Gasum Portfolio Services Oy harmless and fully indemnified against any claims, costs, damages, loss and liabilities arising out of any such use.

On Agenda: Europe

The German government has decided on carbon pricing for transport and heating emissions. Published on Friday, the price of the package is likely to exceed €50 billion, but Germany intends to use the measures to reach its emission reduction targets by 2030. Germany's national target is to slash climate emissions by 55% from the 1990 levels. In the pricing model adopted, national carbon pricing will start in 2021 with a fixed allowance price but the prices are then going to rise in the 2021–2025 period. The starting price for fossil-based heating energy and transport emissions is €10/tCO₂, and the price will rise gradually to €35. The German model does not involve exchange trading on market terms. The model has been criticized for the price not being high enough and for the number of emission allowances not being restricted, which does not provide an incentive for emission cuts. The costs of the system will be reflected in consumer prices, and the German government has estimated that the price of gasoline and diesel will initially increase by 3 cents and by 2026 by around 10–15 cents. Consumers will be provided with support to buy electric cars and incentives for lower-emission mobility and heating. There will also be a ban of newly installed fossil-fired heating systems. Germany also plans to push for EU-wide emissions pricing for all sectors. The first step Germany wants to see is a floor price for EU ETS. So far only France and a few other European countries have supported the floor price. Eastern European countries are not, however, likely to warm up to the idea.^{1,2}

On Agenda: Global

Climate is warming faster than expected. This is stated in a report by the world's leading climate science organizations. According to the report, the level of ambition needs to be tripled from the current levels to align with the 2 °C limit and must be increased fivefold to align with the 1.5 °C limit. The report states that the current Paris Agreement targets will result in a global mean temperature rise between 2.9 °C and 3.4 °C. Carbon dioxide emissions grew 2% in 2018, too, and the scientists do not see any sign of a downturn in emissions. Glacier mass is also lower than ever before over the past 40 years.³