

### EUA prices €/t 3.10.2019 10:18

Product	Bid	Ask	Last	Change*
Spot**	24.15	24.18	24.16	-7.00 %
Dec-19	24.16	24.17	24.17	-6.74 %
Dec-20	24.37	24.39	24.36	-7.22 %
Dec-21	24.75	24.79	24.76	-6.22 %

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

### sCER prices €/t 3.10.2019 10:18

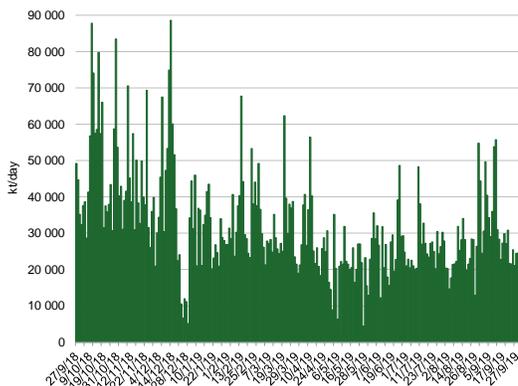
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.21	0.21	0.00 %
Dec-19	0.17	0.22	0.21	0.00 %
Dec-20	0.15	0.21	0.20	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	23.96	-6.80 %

\*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 3.10.2019 10:18

Product	Unit	Prices*	Change*
ENO Q1-2020	€/MWh	41.35	-2.18 %
ENO 2020	€/MWh	34.55	-4.49 %
ENO 2021	€/MWh	32.80	-3.66 %
ENO 2022	€/MWh	32.15	-2.80 %
EEX, Base load Cal-20	€/MWh	47.42	-4.87 %
Brent crude	\$/bbl	57.52	-11.11 %
Natural gas UK (Q1-20)	p/therm	51.45	-3.53 %
Coal CIF ARA API2 2020	\$/t	65.05	-6.61 %

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

## Market Analysis

Last week emission allowance prices were seeking a direction with a price range of €24.93 - €27.12/t. On Monday, the price fell from the top levels of the day to below €26/tonne in the wake of worse than expected purchase manager indexes in Europe. Tuesday saw a continued decline, which stopped before €25.50/t. The price retreated further on Wednesday but a level of €25/t prevented any further fall. A rise corrected the price on Thursday with buying interests stimulated as the price dipped close to below the €25/t limit. Emission allowance prices were down again on Friday and closed at €25.3/t, down €1.5 on the week. All last week's auctions settled at below aftermarket prices and the offer ratio in all auctions was below 2. The absence of the Polish auction will reduce this week's auction availability. Auction volumes are 11.1 million tonnes, which is 4.7 million tonnes less than last week. Judging by last week's auction results, smaller auction availability does not have much impact on pushing up emission allowance prices. Thursday this week is a public holiday in Germany, which may slightly impact the volumes circulating on the market towards the end of the week. Monday during the current week saw the emission allowance price fall to below its support level of €25/t, on Tuesday there was an upward correction movement in the price.

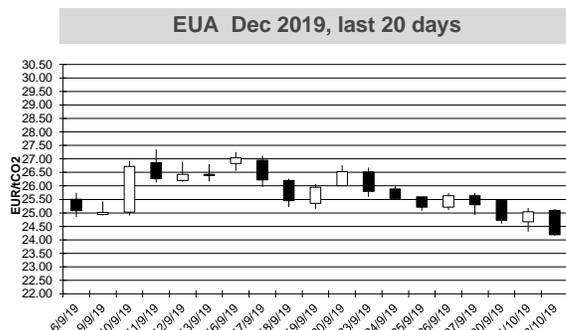
## Market View

Temperatures in Europe will remain cool this week, but shortly rise again to normal levels. Wind power production is also weak this week and may also increase the need for emission allowances. However, negative operating margins on coal in Germany are lowering the willingness in Europe to buy emissions allowances.

Political uncertainties in Europe and globally are also resulting in uncertainty on the emission markets. Getting out of the Brexit crisis in particular would bring a direction to the price. Also the tougher gas market in Europe and the uncertainty still surrounding French nuclear power plants create a market risk. A weakening of the economic situation both globally and in Europe may also impact demand for emission allowances in the long term. The World Trading Organization has lowered its global trade forecast; there is also the threat of a tariff war escalating between Europe and the US.

Environmental issues are the cornerstones of the new President of the European Commission Ursula der Leyen's programme. EU environment ministers will meet on Friday, work is underway on a strategy for a climate neutral economy.

Technically, emission allowances have been seeking direction, but MACD has given a signal to buy. We expect emission allowance prices to fall slightly. The emission allowance price has fallen many times below the tested support level of €25/t, as well as below the 200-day rolling average value. A strong support level can currently be found in the June lows of €23.66/t. Other support levels are the 200-day rolling average value of €24.43/t and €22.48/t. The psychological level of €24.50/t as well as €25/t, and €26.40/t are considered resistance levels. We expect emission allowance prices to move between €24 - €25.5/t.



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

CDM pipeline		
3.10.2019 10:18		
	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
4.10.2019	EU Ministers for Environment in Luxembourg
17.-18.10.2019	The last EU meeting before the Brexit at the end of October

**Contacts:**

Markus Herranen  
Toni Sjöblom  
Laura Pokka  
E-mail: firstname.lastname@gasum.com

**Sources:**

- [1 Bloomberg news](#)
- [2 Montel 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

Germany's climate package, which was published less than two weeks ago, can still be improved because of the criticism levelled at it. The price fixed for carbon dioxide could yet double on the present proposal of €10/t. A statement by the German environment minister is on the same lines. But Merkel has, however, defended the existing model. The German Greens also consider the plan to be unsuccessful and will presumably attempt to get changes to it in parliament.<sup>1</sup>

Poland can end coal use by 2050. The Polish energy minister has said that increasing other forms of energy, such as nuclear power, could help to rationally reduce the percentage of coal in energy production. The minister thinks that during the next ten years Poland should build a nuclear power plant. Poland currently produces 80% of its electricity by burning coal and the party currently in power has refused to give up fossil fuels. Poland has been debating the building of a nuclear power plant for ten years but a final decision has yet to be made. Many question whether energy companies can afford a nuclear power project.<sup>2</sup>

## On Agenda: Global

Sea levels are rising at double the rate than in the last century according to a new IPCC report. Climate warming is accelerating the melting of ice areas and the rising sea level already now has irreversible consequences. The seas and icebergs affect the weather, climate, food and drinking water, energy, trading and transport. The IPCC also warns that a rise in the sea level will impact the life of everyone on the globe either directly or indirectly. Ambitious emissions cuts can save part of the areas covered by ice. If things go on the same way as now, the climate will warm 3C and the sea level rise 60-110 cm by the end of the century. Limiting the rise in temperature to 2C would also limit the rise in the sea level to 30-60 cm. The forecast has risen since the last estimate since the Antarctic is melting faster than expected. Low-laying coastal areas, which are at greatest threat of rising sea levels, are home to around 680 million people. Hundreds of millions of people will have to leave their homes if the sea level rises by a metre. Warming in the Arctic region is also a threat, since permafrost stores vast amounts of greenhouse gases, which were they to be released would further accelerate climate change.<sup>3</sup>