

EUA prices €/t 6.11.2019 12:57

Product	Bid	Ask	Last	Change*
Spot**	25.22	25.23	25.23	-0.83 %
Dec-19	25.24	25.25	25.24	-0.83 %
Dec-20	25.38	25.39	25.39	-0.87 %
Dec-21	25.63	25.66	25.52	-1.53 %

*Change compared to the previous report ** EEX spot

sCER prices €/t 6.11.2019 12:57

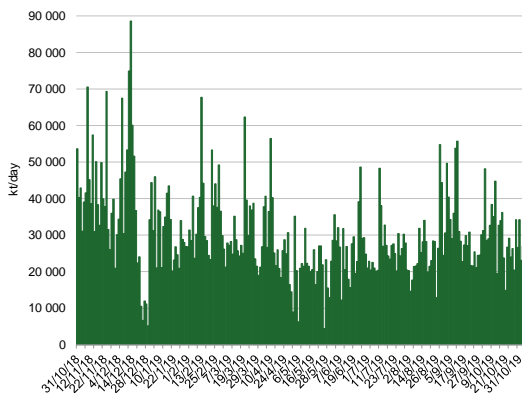
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.21	0.20	0.00 %
Dec-19	0.17	0.22	0.21	4.76 %
Dec-20	0.15	0.22	0.20	5.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	25.03	-0.88 %

*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 6.11.2019 12:57

Product	Unit	Prices*	Change*
ENO Q1-2020	€/MWh	44.20	4.80 %
ENO 2020	€/MWh	37.50	4.75 %
ENO 2021	€/MWh	33.95	1.18 %
ENO 2022	€/MWh	32.95	0.88 %
EEX, Base load Cal-20	€/MWh	47.13	0.40 %
Brent crude	\$/bbl	62.72	2.10 %
Natural gas UK (Q1-20)	p/therm	46.65	3.40 %
Coal CIF ARA API2 2020	\$/t	65.00	1.08 %

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

Market Analysis

Last week, emission allowance prices were slightly bullish in the first days of the week. The Brexit extension and the bullish trend of the financial markets as progress has been made in the US-China trade talks pushed the price of the DEC-19 product up on Monday. On Tuesday, the decision to hold a snap election in the UK raised hopes of the Brexit deadlock being broken and prices climbed from the Monday levels towards €25.50/t. The rise continued on Wednesday, breaking through the €26 level. On Thursday and Friday there was a downturn in emission allowance prices. On Thursday, the prices hit a weekly high above €26/t, but dropped to close at slightly above €25.50/t as gas price was falling and auction results weak. On Friday, the €25.50 level was broken and emission allowances closed at €25.26/t. At the weekly level, emission allowances were up by 32 cents. At the monthly level, emission allowances were up by €0.89 in October.

The bid-to-cover ratios remained below 2 at the week's auctions. Half of the auctions cleared above the secondary market. Market volumes were below the 50-day average throughout the week, except for Tuesday.

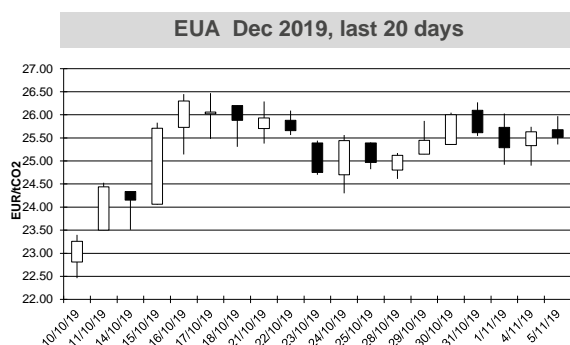
In the current week, the emission allowance market has turned bullish. On Monday the price climbed above €25.5/t, and the rise has continued on Tuesday. This week the Polish auction will increase the auction supply to 15.8 million tonnes again.

Market View

Weather in Europe is turning cool. German wind power production will also be weak, fuel demand will grow this week and may exert support to emission allowances. The financial and Brent oil markets are likely to be steered this week by the US-China trade talks.

The Brexit effect is likely to maintain its grip on emission allowance trading. Uncertainty is still not fully eliminated and even a no-deal Brexit is still possible in January 2020. The British general election in December may provide the next pointer to the future as the ratification of the agreement will be on hold until the election is over. The agreement will probably not be adopted before January, and before that there cannot be UK allowances issued or free allocations for 2019 and 2020. The UK Department for Business, Energy & Industrial Strategy has assured that, if the agreement is ratified between November and the end of January, British participants will still be obliged to comply with EU ETS for 2019 by the 31 March deadline.

Technically, emission allowances have still remained bearish. The prices have been seeking direction for a few weeks around €25/t. The 50-day trend has turned horizontal and been close to the current level of €25.30/t for a week already. In addition to that, price support is provided by the support levels of €24.67/t and €23.66/t. Resistance levels can be found at €26/t and €26.30/t and the psychological level of €27/t, a climb over which would mean an uptrend for emission allowances. We expect emission allowance prices to be moving in the €24.30–€26.30/t range.



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

CDM pipeline	6.11.2019 12:57	
	Amount	Change
Number of projects**	8374	-6
Registered projects*	7808	0
Volume of the pipeline by the year 2020, MtCO2e**	515	0
Issued CERs, MtCO2e*	2000	15

*Change compared to the previous report.

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

Upcoming events	
Date	Event
2.-13.12.2019	COP25 -meeting in Spain
December 2019	Ursula von der Leyen as the president of the European Commission

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Sources:

[1 European Commission report](#)

[2 Bloomberg news](#)

[3 New York Times news](#)

On Agenda: Europe

The European Commission has published its 2018 Carbon Market Report. According to the report, emissions from installations covered by the EU ETS decreased by 4.1%, power sector emissions by 7.3% and emissions from industry by 0.1%. Emissions from aviation continued to grow. The stronger emission allowance prices have provided Member States with record-high auction revenues. The €14 billion generated from auctions last year is around a third of the total of €42 billion in revenue generated by the auctions between 2012 and mid-2019. The EU will reach its 2020 emissions target of a 20% cut from 1990 levels. The target of slashing emissions by 40% by 2030 will not be reached at the current rate. ¹

The Netherlands is going to make investments to reach its emissions targets. The Dutch government will set aside €60 million in subsidies for installing heat pumps and solar boilers. The government also intends to accelerate the installation of solar panels on buildings and to impose a CO2 emissions tax on industrial companies. The country plans to cut emissions by 49% in 2030 from 1990 levels. The government's proposal would cut Dutch economic growth by around half a percentage point. ²

On Agenda: Global

The Trump administration has formally notified the UN of its withdrawal from the Paris Agreement. The notification starts a year-long process of exiting the climate change accord. The US Secretary of State Mike Pompeo stated on Twitter that the accord would have imposed intolerable burdens on the US economy; according to him, the US uses all energy sources and technologies cleanly and efficiently, including fossil fuels, nuclear energy and renewable energy. There are concerns that Trump will actively work against global climate action. Achieving the economic change necessary to avoid the worst effects of global warming may be difficult without the superpower. Making the Paris Agreement work without the US will require other major polluters such as China and India to step up. China's ability to deliver is in question, despite the promises made. Considered developing countries under UN rules, China and India are not obligated to curb emissions. They have nevertheless committed to emission reductions, partly because the US was taking action. In the US, some states, cities and businesses have made voluntary emissions pledges in line with the Paris Agreement. ³

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