

### EUA prices €/t 4.12.2019 13:10

Product	Bid	Ask	Last	Change*
Spot**	24.29	24.32	24.28	0.62 % ↑
Dec-19	24.30	24.32	24.31	0.74 % ↑
Dec-20	24.45	24.48	24.47	0.78 % ↑
Dec-21	24.68	24.73	24.65	0.08 % ↑

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

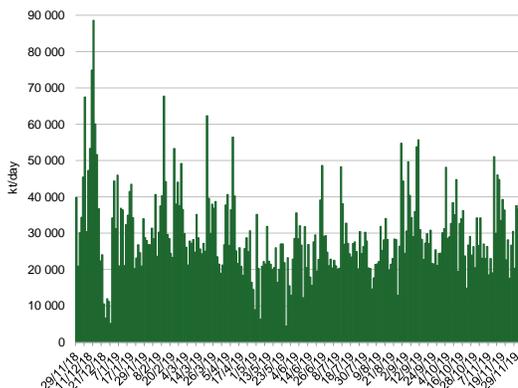
### sCER prices €/t 4.12.2019 13:10

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.19	0.19	5.26 % ↑
Dec-19	0.14	0.22	0.19	5.26 % ↑
Dec-20	0.14	0.21	0.18	5.56 % ↑

\*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 4.12.2019 13:10

Product	Unit	Prices*	Change*
ENO Q1-2020	€/MWh	42.95	-0.81 % ↓
ENO 2020	€/MWh	36.88	-0.05 % ↓
ENO 2021	€/MWh	34.78	-0.06 % ↓
ENO 2022	€/MWh	32.90	-0.76 % ↓
EEX, Base load Cal-20	€/MWh	44.52	-4.38 % ↓
Brent crude	\$/bbl	61.82	-2.90 % ↓
Natural gas UK (Q1-20)	p/therm	41.23	-7.22 % ↓
Coal CIF ARA API2 2020	\$/t	62.40	-3.29 % ↓

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

## Market Analysis

Last week, emission allowance prices continued to rise. The week opened bearish, sinking on technical signals, with prices dropping below the 200-day and 50-day moving averages. On Tuesday, the €24.40/t level prevented prices from climbing and the prices ended up largely unchanged. On Wednesday, emission allowance prices rose due to the absence of an emission auction and the market sentiment as Ursula von der Leyen's Commission was voted in and will be able to get to work. Prices climbed past the 50-day moving average of €24.80/t and closed at €25.11/t. On Thursday, a slight downward price correction was seen. On Friday, the 200-day moving average prevented a price drop, but there was no upward bounce, either. On Friday, emission allowances closed at €25.22/t. At the weekly level, emission allowance prices gained 64 cents. In November, emission allowances declined by 1.5%. Last week's auction results were weak, with bid-to-cover ratios remaining below 2 at all auctions.

This week, there will be 15.8 million EUAs in the market as the Polish auction will be held on Wednesday. The current week has seen a drop in emission allowance prices, down 89 cents on Monday from the Friday levels.

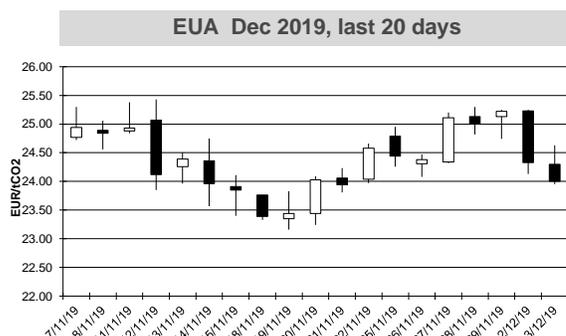
## Market View

European weather will be colder than normal this week and Central European wind power production will be weak for most of the week. This may lend support to emission allowances. They are, however, technically weak and any strong climb appears unlikely this week. The expiry of the DEC-19 option on December 11 may keep emission allowance prices close to the €25/t level.

COP25 starts in Madrid this week and lasts until Friday next week. Important roles at the meeting will be played by negotiations on market mechanisms under Article 6 of the Paris Agreement that nations could use to reach their emission targets.

Ursula von der Leyen's Commission took office on December 1. The Commission is planning to unveil a roadmap for new environmental laws on December 11. According to a leaked draft, a European climate law enshrining the 2050 carbon neutrality objective would be published in March 2020 and a plan on how to reduce greenhouse gas emissions by 2030 would be published in October 2020. The draft mentions plans to extend the EU cap-and-trade scheme for carbon emissions to the maritime sector and possibly also to road transport.

Emission allowance prices continue on a technically bearish trend as the previous week's rise was corrected downwards on Monday and highs were lower than the previous ones. Support for emission allowance prices is provided by the nearest support level of €24.30/t and the lower one at €23.66/t and well as €23/t. Resistance levels are found at the psychological level of €25/t, the 50-day moving average of €25.32/t and the October high of €26.27/t. We expect emission allowance prices to be moving within the €23.90/t–€25.30/t range.



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

## On Agenda: Europe

The European Parliament declared a climate emergency on Wednesday last week. The aim is to step up action against climate change. The resolution is not, however, binding on the EU Member States. Instead, it will need to be adopted separately by their ministerial councils. Parliament urges the European Commission and EU Member States to reach carbon neutrality by 2050. MEPs also call on the Commission to take climate change into account in all of its decisions. The new Commission's climate policies are indeed more ambitious than the previous one's.<sup>1</sup>

## On Agenda: Global

The annual Emissions Gap Report of the UN Environment Programme (UNEP) states that emissions will need to be cut by 7% per year if the 1.5 °C climate target is to be reached. This would mean tripling the current ambition for the 2 °C goal and increasing it five-fold for the 1.5 °C goal. According to the report, the 1.5 °C goal is still reachable, however. The report recommends actions including reforming the EU emissions trading system to facilitate progress towards emission targets.<sup>2</sup>

Repsol SA is the first oil major to pledge to be a net zero emissions company by 2050. The company has made a commitment to the Paris Agreement's climate goals and intends to eliminate all greenhouse gas emissions from its own operations and its customers. The company will invest in renewable energy and has approved new investments in solar and wind power with a combined capacity of 1,600 megawatts, boosting the company's total renewables portfolio by 40%. Oil companies are under increasing pressure to transform their businesses in line with environmental targets, but investors worry whether companies are able to make the transformation. Royal Dutch Shell Plc, BP Plc and Total SA have also announced their own targets to reduce emissions.<sup>3</sup>

CDM pipeline	4.12.2019 13:10	
	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
12.12.2019	UK general elections
2.-13.12.2019	COP25 -meeting in Spain

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### Sources:

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

[2 UNEP report](#)

[3 Bloomberg news](#)

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