

EUA prices €/t 25.1.2019 11:59

Product	Bid	Ask	Last	Change*
Spot**	23.57	23.62	23.60	0.25 % ↑
Dec-19	23.76	23.79	23.78	0.04 % ↑
Dec-20	24.20	24.27	24.16	-0.08 % ↓
Dec-21	24.82	24.90	24.79	-0.44 % ↓

*Change compared to the previous report ** EEX spot

sCER prices €/t 25.1.2019 11:59

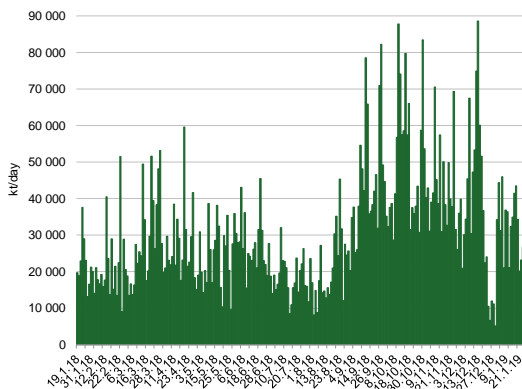
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.24	0.00 %
Dec-19	0.22	0.25	0.24	0.00 %
Dec-20	0.18	0.25	0.24	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	23.54	0.04 % ↑

*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 25.1.2019 11:59

Product	Unit	Prices*	Change*
ENO Q2-2019	€/MWh	49.95	5.01 % ↑
ENO 2020	€/MWh	39.30	0.53 % ↑
ENO 2021	€/MWh	35.25	-0.26 % ↓
ENO 2022	€/MWh	33.95	3.39 % ↑
EEX, Base load Cal-20	€/MWh	51.12	4.28 % ↑
Brent crude	\$/bbl	61.69	1.39 % ↑
Natural gas UK (Q2-19)	p/therm	52.09	-2.00 % ↓
Coal CIF ARA API2 2020	\$/t	85.00	0.00 % ↓

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

Market Analysis

At the beginning of the week 3 the emission price fluctuated close to previous week's closing price. At the beginning of the week the market was waiting Britain's Parliament's vote on Brexit draft agreement. On Tuesday night the Parliament voted against the agreement. However, the vote result was expected and therefore the effect on emission price was moderate. On Wednesday the emission price opened bearish, but finally on Wednesday the emission price closed clearly bullish. The increase continued at the end of the week. The colder weather in Europe supported the emission price.

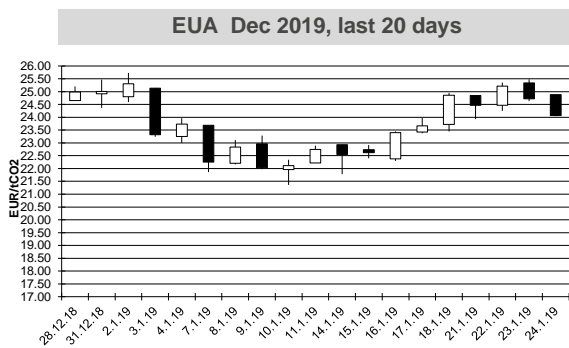
During this week the emission price started to decrease on Monday, when during the weekend the weather forecasts had turned milder in Europe. The milder weather forecasts caused downward pressure also to fuel prices and to electricity market. However, the weather type seemed likely to stay colder than normal also in the future, which supported on Monday the emission price. Additionally, weak wind power situation and high electricity demand supported the emission price.

Last week the trading volumes increased. The average trading volume last week was about 37 million allowances per day. On Thursday the volume increased to about 44 million.

Market View

The emission price is supported by the weather in Europe that is colder than normal. At the same time the wind power production is mainly weaker than normal. The electricity demand and the allowance demand is high. However, the weather turns warmer and the wind power production increases on weekend, but the current weather type is likely to continue mainly colder, drier and less windy than normal. The weather type supports also the fuel prices and the electricity market. We expect the emission price to increase. Also the strong technical outlook supports the emission price, but there is an extremely strong technical resistance level in 26,0 €/t (the trading prices in last autumn and the yearend) that already limits the increase. The possible breaking would give very strong technical signal.

The upward pressure is limited also by the Brexit that is still an open situation. The approaching of the Brexit date increases the risk of hard Brexit, which means the exit without the deal. Fluctuation to emission price might be caused by the commission's proposal for Germany's coal phase-out. The commission is supposed to propose the possible plan at the beginning of February. The Committee will hold the last meeting before the publication of the plan on Friday this week.



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

CDM pipeline		
	25.1.2019 11:59	
	Amount	Change
Number of projects**	8456	-9
Registered projects*	7755	1
Volume of the pipeline by the year 2020, MtCO2e**	10614	-54
Issued CERs, MtCO2e*	1787	7

*Change compared to the previous report.

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

Upcoming events	
Date	Event
1.2.2019	Germany's coal commission is supposed to propose the plan on coal phase-out
30.4.2019	Due date for applications for next phase free allowances

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Sources:

- [1 Montel news](#)
- [2 Carbon Pulse news](#)
- [3 The Guardian news](#)

On Agenda: Europe

Germany's coal commission is supposed to propose the plan on coal phase-out in 1st of February. However, on Wednesday they issued the draft, that showed that the first phase of coal phase-out would be in 2022 and the second phase in 2030. However, there were no specific capacity amounts in the draft yet. The draft supported strongly the YR-22 at the German electricity market.¹

On Agenda: Global

During the next 1,5 years California develops its strategy in the workshops, aiming to become carbon neutral by 2050. California met the 2020 goals four years ahead of schedule.²

According to the study by thinktank, the world is behind in actions in order to 2020 global emissions would be the highest, and the emissions would start to decrease and the global warming would be limited to 2C°. However, the study found good progress for example in renewable energy. In 2017 the proportion of renewable energy was about 25% of the global electricity production and renewable energy covered almost two thirds of the new power generation capacity.³

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