

### EUA prices €/t 8.2.2019 12:21

Product	Bid	Ask	Last	Change*
Spot**	23.27	23.30	23.21	4.61 % ↑
Dec-19	23.42	23.43	23.43	4.82 % ↑
Dec-20	23.84	23.86	23.86	4.82 % ↑
Dec-21	24.34	24.38	24.42	4.71 % ↑

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

### sCER prices €/t 8.2.2019 12:21

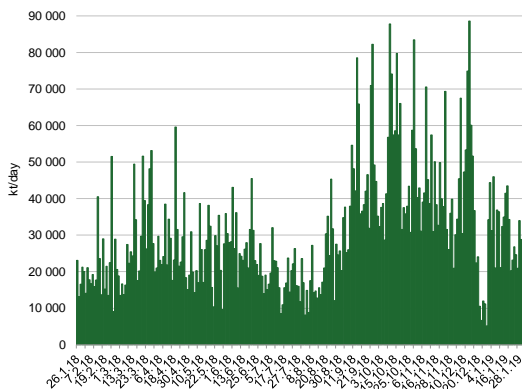
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00 %
Dec-19	0.21	0.24	0.22	0.00 %
Dec-20	0.18	0.24	0.22	0.00 %

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	23.21	4.87 % ↑

\*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 8.2.2019 12:21

Product	Unit	Prices*	Change*
ENO Q2-2019	€/MWh	44.75	-3.02 % ↓
ENO 2020	€/MWh	36.85	-2.99 % ↓
ENO 2021	€/MWh	33.65	-1.99 % ↓
ENO 2022	€/MWh	33.30	-1.80 % ↓
EEX, Base load Cal-20	€/MWh	49.06	0.59 % ↑
Brent crude	\$/bbl	61.38	0.73 % ↑
Natural gas UK (Q2-19)	p/therm	47.10	-4.17 % ↓
Coal CIF ARA API2 2020	\$/t	78.95	-7.66 % ↓

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

## Market Analysis

The emission price decreased sharply during week 5. Downward pressure to emission price was caused by milder weather forecasts. Additionally, the German power market was clearly bearish due to weaker fuel prices. Downward pressure was also caused by the German coal phase-out commission's proposal to close down coal and lignite capacity gradually by 2022, 2030 and 2038. Downward pressure from this was, however, limited by the proposal to cancel the emission allowances for the corresponding amount. However, the final decisions on this are not yet made and the uncertainty kept the fluctuation high. The closing price of the week was finally 21,99 € and at the weekly level the emission price was 1,94 € lower.

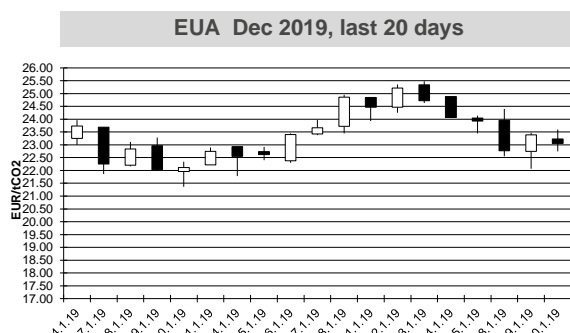
During this week the emission price was bearish on Monday with the decreasing electricity market. Downward pressure to electricity market and also to the emission price was caused by milder weather in Europe. Also the wind power production increases to high level. After Monday the emission price turned bullish when the technical support level held. Additionally, also the weather forecasts indicated next week that the wind power situation weakens and the temperatures fall. On Thursday the price decreased with the weak coal price, which caused downward pressure to electricity market. Additionally, the stock market started to decrease on Thursday when the concerns on trade tensions and on the economic growth arose again.

Last week the trading volumes decreased. The average trading volume last week was about 29 million per day. On Monday the volume increased to about 34 million.

## Market View

Downward pressure to emission price has been caused by the mild and windier weather, but next week due to strengthening high pressure in Europe the weather turns colder again and the wind power production weakens. Due to next week's weather outlook and when the technical support level of 21,3 €/t held the emission price has increased close to middle of the variation range of 21,3 - 26,0 €/t.

We expect the emission price to so far fluctuate inside the variation range, but in the short term the emission price might again decrease close to lower trend line of the variation range with weak coal price. Downward pressure to coal price has been caused by Chinese New Year, which has significantly reduced the global coal market. However, the China's activity might increase next week due to ending of the holiday week. The atmosphere at the stock market has turned slightly more pessimistic again. In the longer term we expect the emission price to continue increasing with the scarce auction supply. The uncertainty in emission price is still maintained by Brexit. The uncertainty on Germany's proposal to close down coal capacity is still significant and for example the discussions on cancelled emission allowances are likely to fluctuate the emission price.



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

CDM pipeline	8.2.2019 12:21	
	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
30.4.2019	Due date for applications for next phase free allowances

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**Sources:**

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

## On Agenda: Europe

One of UK's seven last coal power stations will be closed this year due to weak profitability. Just seven years ago, coal was a cornerstone of the energy system, providing more than 40% of electricity, when last year the share was decreased already to 5 %. The UK government has pledged to end coal power generation in the UK by 2025.<sup>1</sup>

## On Agenda: Global

The US Democrats agreed on Thursday on tighter climate work, calling for significant changes to the US economy to reduce carbon emissions over the next 10 years. The Democrats' deal is likely to face significant political headwinds due to Republican-led Senate and the Republican President. Carbon pricing in any form was not explicitly referenced in the text, although the lawmakers did stipulate that the federal government takes into account the complete environmental and social costs and impacts of emissions.<sup>2</sup>

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