

### EUA prices €/t 22.2.2019 13:39

Product	Bid	Ask	Last	Change*
Spot**	18.61	18.64	18.59	-11.35% ↓
Dec-19	18.73	18.74	18.75	-12.00% ↓
Dec-20	19.11	19.15	19.10	-11.15% ↓
Dec-21	19.59	19.66	19.57	-12.31% ↓

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

### sCER prices €/t 22.2.2019 13:39

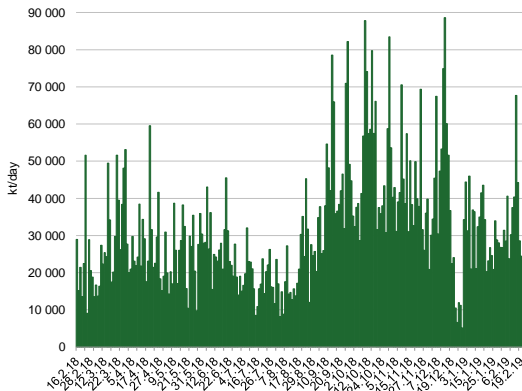
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.26	0.22	0.00%
Dec-19	0.22	0.24	0.23	0.00%
Dec-20	0.19	0.24	0.23	0.00%

Product	Spread	Change*
EUA Dec18-sCER Dec18 Spread*	18.52	-12.15% ↓

\*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 22.2.2019 13:39

Product	Unit	Prices*	Change*
ENO Q2-2019	€/MWh	37.00	-4.05% ↓
ENO 2020	€/MWh	34.25	2.34% ↑
ENO 2021	€/MWh	32.15	1.87% ↑
ENO 2022	€/MWh	32.05	1.09% ↑
EEX, Base load Cal-20	€/MWh	46.31	1.34% ↑
Brent crude	\$/bbl	67.11	3.71% ↑
Natural gas UK (Q2-19)	p/therm	44.38	-2.48% ↓
Coal CIF ARA API2 2020	\$/t	79.35	1.58% ↑

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

## Market Analysis

This week the emission price continued sharply bearish. Downward pressure was maintained by the weak development at the electricity market. Additionally, uncertainty on Brexit and weak technical outlook strengthened the downward pressure. In emission price the extremely strong support level of 21,3 €/t in failed. This support level was also the lowest trading price of the year. Britain announced, that they will not auction any emission allowances until their situation with EU ETS is clear. The closing price of the week was finally 20,42 € and at the weekly level the emission price was 1,95 € lower.

At the beginning of this week the emission price recovered after the sharp decrease last week. The emission price was supported by strong oil price, which stopped the coal price decrease. Stronger fuel prices supported the German power market, which also strengthened the emission price. However, on Thursday the emission price returned bearish again due to weak technical outlook and very mild weather outlook in Europe.

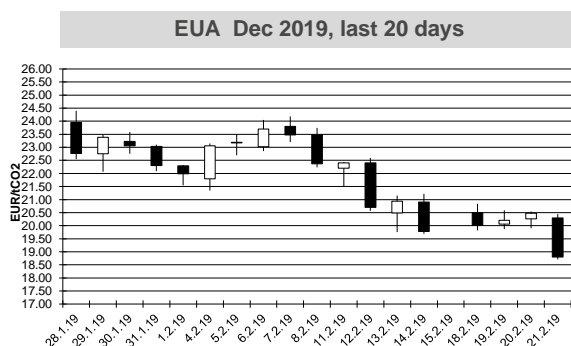
Last week the trading volumes increased. The average trading volume last week was about 47 million allowances per day. On Wednesday the volume increased to about 67 million.

## Market View

The emission price is technically weak in the short term and technically the emission price is heading towards December's lowest trading price levels of 18,35 €/t. Downward pressure in emission price is also maintained by mild weather outlook in Europe. However, at the end of the week and during the next week the weak wind power situation limit the downward pressure from the weather.

Mild weather outlook in Europe and high coal reserves cause downward pressure to coal price and the German power market. However, technically strong oil price supports the coal price. Additionally the coal price difference between Europe and Asia has increased to very big. Downward pressure to emission price is caused by sharply decreased gas price. The increase of competitiveness of gas in relation to coal price decreases the emission allowance demand.

Political uncertainty is still high and the Brexit situation is still fully open. The approach of Brexit due date increases the risk of no-deal Brexit. We expect the emission price fluctuation to continue high, but due to weak technical outlook and the political uncertainty we see the continuation of the decrease more likely than increase in the short term. Technical outlook is weakened also by price decrease to below the 200 day rolling average. The cutting of this indicator technically indicates the turn in the long-term trend and this might strengthen the downward pressure. Also the start of free allocation might cause downward pressure in the short term.



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

CDM pipeline 22.2.2019 13:39		
	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 Montel news](#)
- [2 BNEF news](#)
- [3 BNEF news](#)

## On Agenda: Europe

The demand in the first German tendering of off-shore wind park of the year was weak. Only 70 % of the capacity was offered in the tendering. The succeeded bid prices were 52,4-62 €/MWh levels. In the first solar power tendering demand exceeded the supply by 2,5 times. The prices in the solar power tendering were 41,1-51,8 €/MWh.<sup>1</sup>

## On Agenda: Global

Glencore Plc has promised to limit coal production and align the business with Paris climate targets. This decision might tighten the coal market, which might cause upward pressure on coal price. Glencore is one of the biggest coal seller in the world, mining and trading about 20 percent of global traded coal.<sup>2</sup>

The U.S. solar energy sector lost about 8000 jobs in 2018. The companies have delayed projects, when the President Donald Trump's import tariffs cause uncertainty. However, during this year the situation is expected to ease and the job growth is expected to jump by 7 %. Currently in the U.S. the industry employs about 242 000 people.<sup>3</sup>

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