

EUA prices €/t 1.3.2019 14:27

Product	Bid	Ask	Last	Change*
Spot**	21,73	21,75	21,68	14,25 % ↑
Dec-19	21,84	21,85	21,85	14,19 % ↑
Dec-20	22,22	22,25	22,15	13,77 % ↑
Dec-21	22,68	22,73	22,42	12,71 % ↑

*Change compared to the previous report ** EEX spot

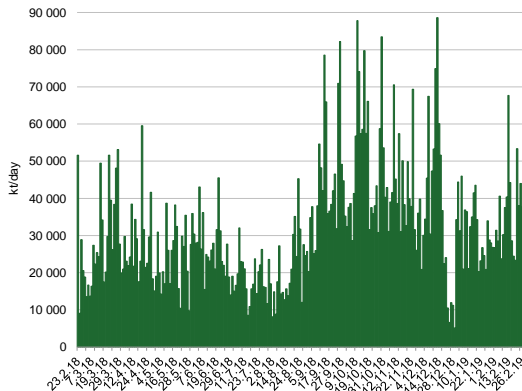
sCER prices €/t 1.3.2019 14:27

Product	Bid	Ask	Last	Change*
Spot**	0,00	0,26	0,22	0,00 %
Dec-19	0,21	0,23	0,23	0,00 %
Dec-20	0,19	0,23	0,23	0,00 %

*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 1.3.2019 14:27

Product	Unit	Prices*	Change*
ENO Q2-2019	€/MWh	40,55	8,75 % ↑
ENO 2020	€/MWh	37,29	8,15 % ↑
ENO 2021	€/MWh	33,70	4,60 % ↑
ENO 2022	€/MWh	33,45	4,19 % ↑
EEX, Base load Cal-20	€/MWh	48,00	3,52 % ↑
Brent crude	\$/bbl	66,35	-1,15 % ↓
Natural gas UK (Q2-19)	p/therm	43,97	-0,93 % ↓
Coal CIF ARA API2 2020	\$/t	80,80	1,79 % ↑

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

Market Analysis

The price of the emission allowances continued to fluctuate in week 8. The price of the emission allowances recovered in the first half of the week after a strong decline the previous week. The price of emission allowances was supported by a strong price of oil, which stopped the fall in the price of coal. Stronger fuel prices supported the German electricity market, which also strengthened the price of emission allowances. However, at the end of the week, the price of emission allowances returned to decline with a weak technical image and a generally mild weather image in Europe. The closing price of the week was finally 18.94 euros, and at the weekly level, the price of the emission allowances eventually closed at a decline.

This week, the price of emission allowances has started to rise strongly. The price of the emission allowances started to rise as the strong support level € 18.35 in the price listed. The strong support for the price was also brought by the news that there would be an extra time planned for implementation of Brexit. This, in turn, eliminates the uncertainty and especially the fear of so-called hard Brexit. In addition, price support has been provided by news that Britain plans to link to the EU Emissions Trading System from 2021 onwards.

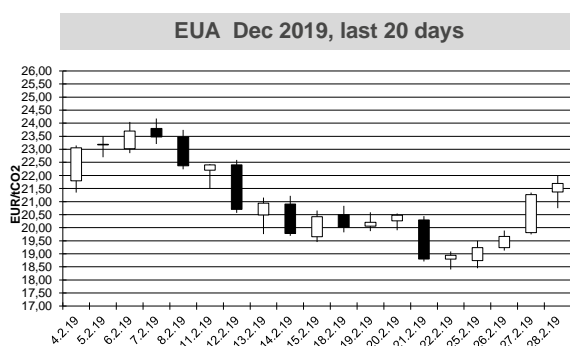
Last week, trading volumes fell. The average trading volume last week was about 33 million allowances per day. On Thursday, the volume rose to approximately 53 million.

Market View

The weather in Europe is mostly mild, but the weather forecasts have been largely cooled down for next week. However, wind conditions generally rise above normal levels. In addition, temperatures only fall close to the normal level of the period.

In the electricity market, development has been stronger due to colder weather forecasts. The price of coal has also continued to recover. Stronger electricity markets have supported the price of emission allowances.

We expect the price of emission allowances to continue to fluctuate in the wake of political uncertainty in the market. The price of the emission allowance is technically stronger, and the strong rise on Wednesday gives a technical purchase signal. The price of emission allowances has again returned to slightly above the 200-day sliding average. However, the price has not yet reached a resistance level of 21.35 €/t, which was the lower end of the trading range of the beginning of the year. Therefore, the trend is still falling.



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

On Agenda: Europe

Britain plans to launch its own domestic emissions trading system after Brexit. At the same time, Great Britain hopes to have its own Emissions Trading System linked to the EU Emissions Trading System from 2021 onwards. Great Britain is Europe's second largest producer of greenhouse gases. Great Britain will remain in the EU Emissions Trading System until the end of the current emissions trading period, i.e., until the end of 2020, if Great Britain does not drift into Brexit¹ with no agreement.

Analysts have lowered the short-term emission allowances price projections by over a quarter. The decline in forecasts is mainly due to political uncertainty, e.g., Germany's relinquishment of coal and Brexit. Political uncertainty eliminates risk appetite, which reduces the interest of speculative players in taking positions. LNG's abundant supply also reduces demand for emission allowances. In addition, the modest price trend seen this year reduces credibility in the rising of emission allowances pricing. The competitiveness of natural gas has risen relative to coal, and this year, the EU energy sector's emissions could fall by 50 million tons compared to last year. The reduction in emissions would correspond to an estimated 2018 energy sector emissions reduction in relation to the year 2017.²

The European Parliament elections will be held in late May. In the elections, right-wing populist are expected to receive additional seats in Parliament. The rise in popularity of right-wing populist parties will reduce Europe's political will to reduce CO2 emissions and promote renewable energy.³

CDM pipeline	1.3.2019 14:27	
	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
23-26.5.2019	European elections

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Sources:

- [1 Reuters news](#)
- [2 Carbon Pulse news](#)
- [3 BNEF news](#)

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