

EUA prices €/t 17.1.2019 14:23

Product	Bid	Ask	Last	Change*
Spot**	23.58	23.62	23.54	6.80 % ↑
Dec-19	23.76	23.78	23.77	6.06 % ↑
Dec-20	24.22	24.26	24.18	6.58 % ↑
Dec-21	24.84	24.89	24.90	6.75 % ↑

*Change compared to the previous report ** EEX spot

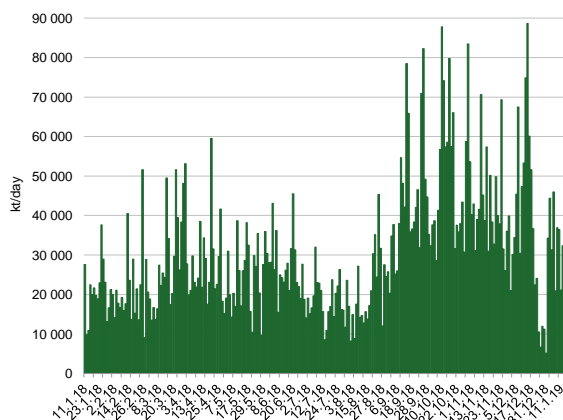
sCER prices €/t 17.1.2019 14:23

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.30	0.26	0.00 %
Dec-19	0.22	0.24	0.24	0.00 %
Dec-20	0.18	0.24	0.23	-4.35 % ↓

*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 17.1.2019 14:23

Product	Unit	Prices*	Change*
ENO Q2-2019	€/MWh	47.45	0.11 % ↑
ENO 2020	€/MWh	39.09	3.43 % ↑
ENO 2021	€/MWh	35.34	4.78 % ↑
ENO 2022	€/MWh	32.80	4.36 % ↑
EEX, Base load Cal-20	€/MWh	48.93	1.92 % ↑
Brent crude	\$/bbl	60.83	-1.41 % ↓
Natural gas UK (Q2-19)	p/therm	53.13	0.29 % ↑
Coal CIF ARA API2 2020	\$/t	85.00	3.88 % ↑

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

Market Analysis

The emission price decreased last week, when the auction break ended and the auction demand at the first auction of the year was weak. Downward pressure was also caused by uncertainty on Brexit, when the Britain's Parliament's vote on Brexit agreement approached. At the end of the week the emission price was supported by the bullish German power market and colder weather in Europe. The closing price of the week was 22,72 € and at the weekly level the emission price closed 1,03 € lower.

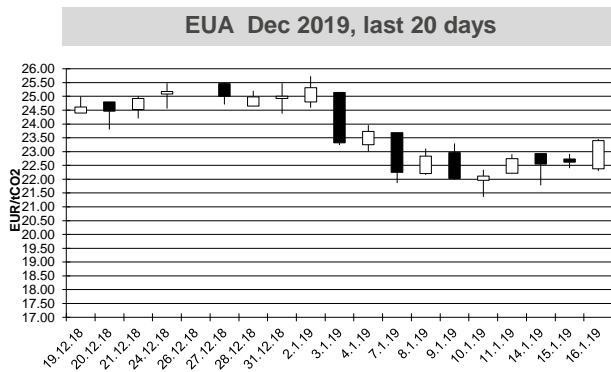
At the beginning of this week the emission price fluctuated close to previous week's closing level. At the beginning of the week the market was waiting for Britain's Parliament's vote on Brexit draft agreement. On Tuesday night the Parliament voted against the agreement. However, the vote result was 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. On Thursday the price has continued bullish.

Last week the trading volumes increased. The average trading volume last week was about 33 million allowances per day. On Monday the volume increased to about 46 million.

Market View

The uncertainty on emission price is maintained by the approaching of Britain's EU Brexit date and currently the situation is still evolving when the Brexit draft agreement was rejected in Britain's Parliament. The approaching of draft agreement and Brexit date increases the risk of so called hard Brexit, which means the Brexit without a deal. The risk of hard Brexit causes downward pressure to emission price. The political uncertainty keeps the emission price fluctuation strong, but we expect the emission price in the longer term to stay bullish due to MSR effect.

In the short term the emission price has looked for direction, but in the longer term the term is still bullish. In the short term the upward correction at the stock market and the ending of concerns about economic growth have supported the emission price. The general market atmosphere is more confident, when the U.S and China negotiate on trade relations. Additionally, the colder weather in Europe increases the emission allowances demand. So far the cold weather type seems permanent without any clear signs of the weather type change. Cold weather supports also the fuel prices and the electricity market. The extremely strong resistance level of 26,0 €/t in emission price limits the increase.



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

CDM pipeline		17.1.2019 14:23	
	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
15.1.2019	Britain's vote on Brexit draft agreement
30.4.2019	Due date for applications for next phase free allowances

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Sources:

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

On Agenda: Global

Global traded carbon volumes rose 45% in 2018. This led to the overall value of global carbon markets soaring by 250%. The factors behind the increase are mainly the increase in Europe's CO2 trading activity and the price increase. Last year Europe represented 90 % of last year's total value of the global CO2 trading. Last year the value of Europe's CO2 trading increased sharply, when the emission price increased from 8 €/t to 25 €/t.¹

Global clean energy investments fell 8% in 2018 compared to previous year. The decline was partly due to solar panel price decrease and the ending of China's support system. Therefore the global solar energy investments decreased by 24 % and in China the solar energy investments decreased even 53 %.²

In U.S. the Californian energy company PG&E is in trouble, when the company is accused of the disastrous California fires. The claims for compensation might climb up to 30 billion USD and the company is in danger to go bankrupt. The company has accused the climate change for the fires and the company may become the business world's biggest climate-change casualty yet.³

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