

## EUA prices €/t 26.3.2020 10:38

Product	Bid	Ask	Last	Change*
Spot**	16.72	16.76	16.72	-9.33 %
Dec-20	16.84	16.86	16.84	-9.03 %
Dec-21	17.18	17.24	17.18	-8.96 %
Dec-22	17.53	17.60	17.53	-8.56 %

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

## sCER prices €/t 26.3.2020 10:38

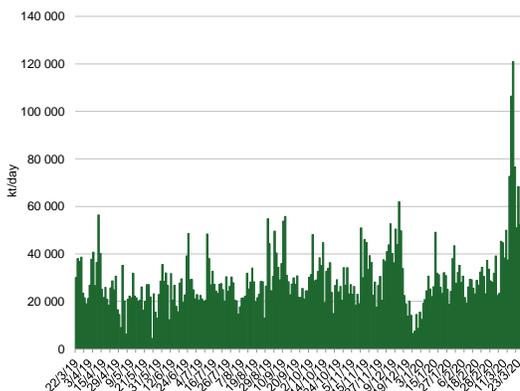
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.21	0.25	0.25	4.00 %

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	17.18	-8.96 %

\*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 26.3.2020 10:38

Product	Unit	Prices*	Change*
ENO Q2-2020	€/MWh	7.75	-32.26 %
ENO 2021	€/MWh	20.80	-14.66 %
ENO 2022	€/MWh	23.50	-11.06 %
ENO 2023	€/MWh	24.85	-10.26 %
EEX, Base load Cal-21	€/MWh	35.28	-6.97 %
Brent crude	\$/bbl	26.37	-13.20 %
Natural gas UK (Q2-20)	p/therm	20.38	-12.54 %
Coal CIF ARA API2 2021	\$/t	58.10	4.13 %

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

## Market Analysis

Emission allowance prices continued to fall last week, too, as the sell-off has continued due to the COVID-19 pandemic affecting the world economy. With the €22/t support level breaking, emission allowance prices have failed to find support. On Monday, the day opened lower than last week's close, dropping by €2 to €19.47/t. On Tuesday, the €18.83/t support level was broken as the canceled auction kept the emission allowance prices on a downtrend. The fall continued on Wednesday when there was a €2 drop to €15.30/t, with trading volumes rising high. Thursday saw slight recoil after a major sell-off to a level above €16/t. The fall still continued on Friday, although not as strong as in the early part of the week. Friday closed at €16.11/t. At the weekly level, emission allowance prices were down by €5.83/t or around 26%. During the current week, a slight recovery has been seen in emission allowance prices.

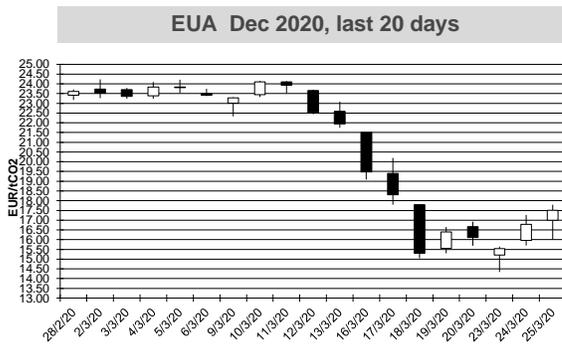
Trading volumes have been high over the past weeks, rising to their highest level last week for the DEC-20 product at 235 million tonnes. Last week's auction demand was weak, with the Tuesday EEX emission allowance auction having to be cancelled due to low demand. That increases this week's auction volume to around 18 million. The allowances for the Innovation Fund are not yet included in the auctions.

## Market View

The stock markets recovered slightly on Tuesday this week as the stimulus packages promised by Germany and the USA lifted the market sentiment. The measures taken by many countries to control the spread of the disease are, however, keeping production and consumption levels below normal. A slight recovery was also seen in oil prices. There are some signs of European weather turning cooler and less windy, but the weak market sentiment dominated by the coronavirus epidemic will be the dominant feature in the emission allowance markets in the period ahead.

The coronavirus has affected those with emission allowance market obligations in many ways. According to reports, industrial companies have been selling their free allowances to generate cash flow. However, 2021 allowances cannot be borrowed for 2020 obligations. Poland has proposed reductions in EU ETS obligations in the light of the difficult economic situation, and Germany is considering the postponing of the emission allowance surrender deadline for companies experiencing hardship due to the coronavirus. However, the European Commission did not express any intentions last week to extend EU ETS deadlines or reduce burdens relating to the EU ETS. Switzerland, a country with its emission allowance trading linked with the EU ETS, has closed its emissions trading registry and, consequently, the surrender obligation.

Emission allowance prices are technically very weak, with the prices having dropped to a two-year low. The RSI is still indicating overbuying of emission allowances. Support for emission allowances is found at €16/t, €15/t, €14.70/t and €12.77/t. Resistance to emission allowance prices climbing is provided at €17/t, €17.80/t, €18/t and €18.83/t. We expect emission allowance prices to remain weak, moving within the €14t-€18t range.



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

CDM pipeline	26.3.2020 10:38	
	Amount	Change
Number of projects**	8374	-6
Registered projects*	7808	0
Volume of the pipeline by the year 2020, MtCO2e**	515	0
Issued CERs, MtCO2e*	2000	15

\*Change compared to the previous report.

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

Upcoming events	
Date	Event
31.3.2020	Clarification of emissions submitted to FINETS system
May 2020	MSR update for 9/2020 - 8/2021

**Contacts:**

Markus Herranen  
Toni Sjöblom  
Laura Pokka  
E-mail: [firstname.lastname@gasum.com](mailto:firstname.lastname@gasum.com)

**Sources:**

- [1 Euractiv news](#)
- [2 Euractiv news](#)
- [3 Bloomberg news](#)

**Terms of delivery:** The Emissions Trading Weekly (the "Review") is delivered via email to the Buyer's contact persons as an Adobe Acrobat pdf-document. All rights to the Review are reserved to Gasum Portfolio Services Oy. The Review, parts of the Review and the username and password that enable access to the Review, shall not be redistributed by the Buyer in any form to any third party, including subsidiaries, partly-owned companies and owners. Redistribution of the Review in any form is illegal and Gasum Portfolio Services Oy will fully enforce all available legal remedies in the event of such redistribution.

Gasum Portfolio Services Oy disclaims all warranties as to the accuracy, completeness or adequacy of information in the Review and does not assume any responsibility of delays in delivery of or access to the Review. The Buyer assumes full responsibility and risk of, and Gasum Portfolio Services Oy shall not be liable for, any loss which results from any transactions or decisions made by the Buyer on the basis of the Review supplied by Gasum Portfolio Services Oy. The Buyer shall accept sole responsibility for and Gasum Portfolio Services Oy shall not be liable for the use of the Review by the Buyer (or any user) and the Buyer shall hold Gasum Portfolio Services Oy harmless and fully indemnified against any claims, costs, damages, loss and liabilities arising out of any such use.

## On Agenda: Europe

Power consumption has fallen in Europe by 2–7% week on week due to coronavirus-related measures. In Italy, the first country to introduce confinement measures in Europe, consumption has declined by 12%. The total impact over the last two weeks in Italy is 20%, and the decline is expected to continue as quarantine measures are stepped up. Spain and France have also seen demand fall by 10–12%. In Germany, emissions have fallen so much that Germany may reach its 2020 emission target, something that was not regarded as likely at the start of the year. The falling power demand is threatening the EU carbon market because of the risk of an oversupply of emission allowances. According to an analyst, the European Commission must now consider measures to stabilize the EU carbon market. The European Commission's view is to consider recovery measures when the coronavirus crisis is stabilized. <sup>1</sup>

The European Commission has launched a cost-benefit analysis of the EU's climate ambition for 2030 to evaluate the pros and cons of the options and has invited comments on the matter. The Commission argues that ramping up climate ambition now would spread out costs and would result in a more gradual reduction path between now and 2050. However, the coronavirus pandemic is predicted to throw the European economy into a recession, which may result in climate targets being put on the backburner. The Commission would, however, appear to still be willing to make progress towards stricter climate targets. This would have more impact on some industrial sectors than others, and industry transitions are likely to have effects on the entire economy. <sup>2</sup>

## On Agenda: Global

The UN climate summit may be at risk due to the coronavirus pandemic. The UK is considering postponing the COP26. The climate talks are scheduled for Glasgow in November, but the coronavirus situation may affect the annual event, with agreement on long-term climate targets on the agenda. The UN has stated that it will not hold any meetings requiring physical presence until the end of May. The EU-China climate summit due to take place by the end of this month has also been postponed. It would have been important to complete those talks before the actual climate summit in November. The UK Foreign Secretary can no longer guarantee that COP26 will go ahead on schedule, although the UK is still hoping to deliver it. <sup>3</sup>