
EUA prices €/t 1.4.2020 12:11

Product	Bid	Ask	Last	Change*
Spot**	16.66	16.68	16.66	0.18 % ↑
Dec-20	16.79	16.80	16.79	0.30 % ↑
Dec-21	17.13	17.17	17.13	0.35 % ↑
Dec-22	17.52	17.59	17.52	0.34 % ↑

*Change compared to the previous report ** EEX spot

sCER prices €/t 1.4.2020 12:11

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.22	0.25	0.25	4.00 % ↑

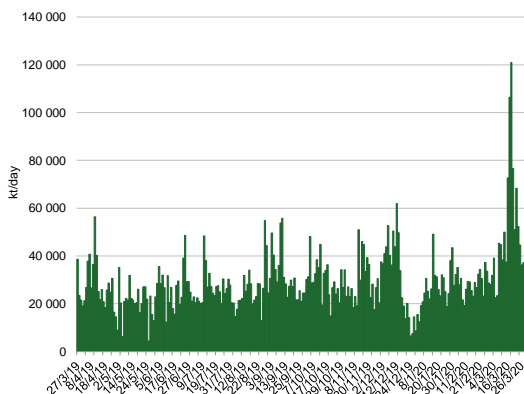
Spread Change*

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	17.13	0.35 % ↑

*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 1.4.2020 12:11

Product	Unit	Prices*	Change*
ENO Q2-2020	€/MWh	7.85	-3.82 % ↓
ENO 2021	€/MWh	19.02	-9.36 % ↓
ENO 2022	€/MWh	22.85	0.66 % ↑
ENO 2023	€/MWh	24.50	-1.63 % ↓
EEX, Base load Cal-21	€/MWh	35.93	5.54 % ↑
Brent crude	\$/bbl	25.05	-9.90 % ↓
Natural gas UK (Q2-20)	p/therm	19.30	-9.91 % ↓
Coal CIF ARA API2 2021	\$/t	55.20	0.18 % ↑

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

Market Analysis

Emission allowance prices recovered slightly last week, encouraged by economic stimulus measures. On Monday, the €14.31/t level was tested, but emission allowance prices recovered at the end of the day to above €15/t. On Tuesday, the uptrend continued more clearly. On Wednesday, the day rose close to €17.50/t. On Thursday, direction was sought within the day, indicating market uncertainty. On Friday, emission allowance prices corrected downwards as the oil and stock markets declined. On Friday, emission allowances closed at €16.39/t. At the weekly level, emission allowance prices climbed by €0.28, correcting slightly on the 40% drop of the past two weeks.

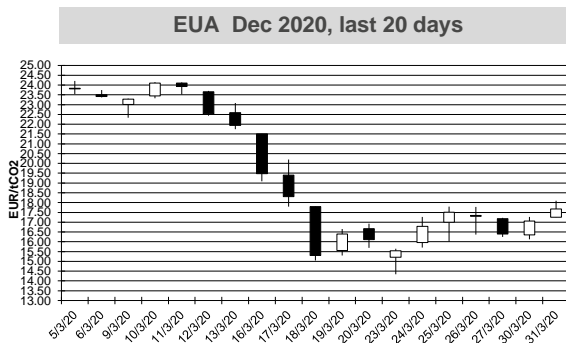
This week's auction supply is 16.2 million EUAs, which is lower than last week as last week's auctions included allowances from the canceled March 17 auction. Auction demand was weak last week, with the number of bidders clearly below average and the bid-to-cover ratios weak except for Friday. On Wednesday last week, the aviation allowance auction was cancelled due to low demand.

Market View

The COVID-19 crisis is still running the global market, setting the direction for emission allowances, too. Italy and Spain have minimized all non-essential industrial activity. This coupled with the general reduction in activities at the European level is likely to decrease industrial emissions and reduce demand for emission allowances at auctions as well as in the secondary market. This week's weather will be slightly cooler than normal, but temperatures will rise for next week. The price of gas has remained very weak and the situation is projected to remain along the same lines throughout the summer, too, as demand will be weak and supply will remain high.

Contrary to speculations, the European Commission announced last week that the deadlines for the submission of emissions reports and the surrender of allowances will remain unchanged. Verified emissions data will be published on Wednesday, April 1 on the European Union Transaction Log (EUTL) website. Analysts' emission allowance price forecasts have fallen due to the epidemic. The current forecast for 2020 is an average of €19/t and for 2021 around €18.40/t. In addition, 2020 emissions are projected to be up to 24% lower due to COVID-19.

Emission allowance prices received some support last week, and the technical picture improved slightly, albeit still being rather weak. The MACD indicates a change in direction. Support for emission allowances can be found at €16/t, €15.37/t, €14.70/t and €13.18/t. Resistance to emission allowance prices climbing is provided at €17.80/t, €18.83/t, €19/t and €20/t. Expectations concerning emission allowance price development next week are neutral, and we expect the prices to be moving within the €16/t–€19/t.



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

CDM pipeline	1.4.2020 12:11	
	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

Sources:

[1 Bloomberg news](#)

[2 Carbon Pulse news](#)

On Agenda: Europe

The European Union intends to have a green focus in the coronavirus economic recovery plans. On Thursday last week, heads of governments signaled that the recovery measures will be compatible with the principles of the European Green Deal. According to the EU Council, the urgency is presently on fighting the coronavirus pandemic and its immediate consequences, but the EU should also start to prepare the measures necessary to get back to normal, including by integrating the green transition into the growth process. The European Commission anticipates the coronavirus pandemic to cause an economic recession this year. To stave off an economic crisis, it is preparing a €37 billion 'Corona Investment Fund' for using spare money from the EU budget to help businesses, health care systems and other necessary sectors. Concerns about the European Green Deal being dropped out of political debate have contributed towards European emission allowance prices dropping this month. ¹

On Agenda: Global

Chinese industry recovered in March, and this is expected to be reflected in power consumption. January and February saw a drop in Chinese emissions by up to 25% due to measures taken to fight the coronavirus. China's PMI rose to 53%, indicating industrial output growth. The country's recovery from COVID-19 is likely to focus on emission-intensive sectors, and China's total emissions in 2020 may even grow. On the other hand, with the rest of the world being pushed into recession, China's economic growth may turn out to be low at 3.9% rather than reaching the pre-coronavirus projection of 5.4%. In March, China permitted 7,960 megawatts of new coal-fired capacity for construction, which may be China's way of boosting the national economy. ²

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.