

### EUA prices €/t 8.5.2020 10:50

Product	Bid	Ask	Last	Change*
Spot**	19.63	19.68	19.63	-3.21 % ↓
Dec-20	19.73	19.76	19.73	-3.14 % ↓
Dec-21	20.09	20.14	20.09	-3.14 % ↓
Dec-22	20.53	20.58	20.53	-2.97 % ↓

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

### sCER prices €/t 8.5.2020 10:50

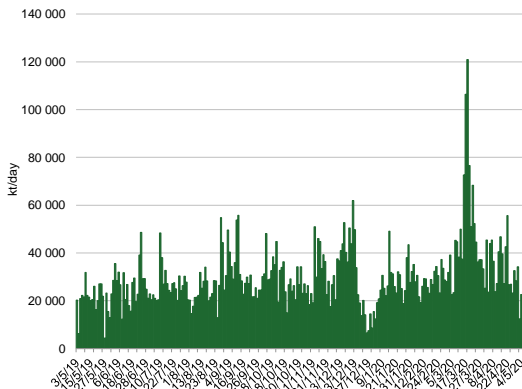
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.20	0.24	0.24	-4.17 % ↓

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	20.09	-3.14 % ↓

\*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 8.5.2020 10:50

Product	Unit	Prices*	Change*
ENO Q3-2020	€/MWh	9.00	5.00 % ↑
ENO 2021	€/MWh	21.65	-2.08 % ↓
ENO 2022	€/MWh	25.05	-0.40 % ↓
ENO 2023	€/MWh	27.24	0.15 % ↑
EEX, Base load Cal-21	€/MWh	36.62	-1.39 % ↓
Brent crude	\$/bbl	30.22	20.45 % ↑
Natural gas UK (Q2-20)	p/therm	16.93	-1.13 % ↓
Coal CIF ARA API2 2021	\$/t	53.05	0.66 % ↑

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

## Market Analysis

Emission allowance prices have fallen slightly. As oil storage facilities fill up and demand remains weak, the falling oil market also cut emission allowance prices. Demand for emission allowances has also fallen with the end of the commitment period. Emission allowance prices were at their highest level of the week on Monday but retreated at the close of the day in the wake of weakened oil markets. The markets sought direction on Tuesday and Wednesday. Thursday was the surrender date for emission allowances and when the decline set in, the emission allowance support level of €20/t was breached on Thursday. As demand fell, volumes also decreased on Friday and the price reached its lowest level of the week. Friday closed at a level of €18.97/t, the lowest closing price for a month and down €1.77 on the week.

This week auction volumes are 13 Mt, which is 5.8% less than last week, when no auction was held as Monday was a public holiday.

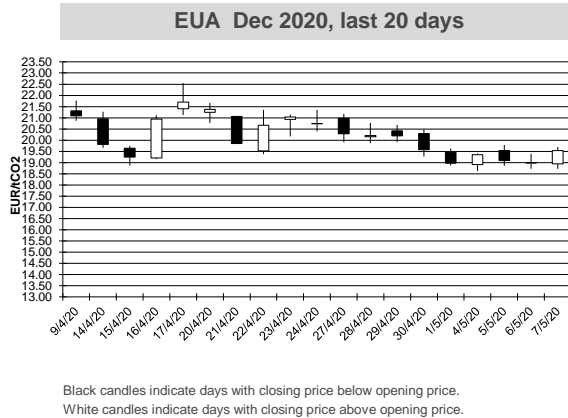
## Market View

People self-isolating indoors and restrictions on movement because of Covid-19 have reduced energy use in Europe and thus the need for emission allowances. Next year's EUA futures have followed share indexes with market recovery in March. Whereas cumulative coronavirus infections have continued to grow, April saw a fall in infections in many European countries. Self-isolation measures are gradually being relaxed in many countries, which might bring slight support to the markets if the general market sentiment improves.

The gas markets have remained weak since demand is very weak. In Germany, electricity production in April was 20% lower year on year, coal-fired condensing power plants were the worst affected. Production of coal and brown coal energy production was down 55%. Uranium production is threatened by supply chain disruptions, which may affect French nuclear power capacity looking ahead. This could lift demand for emission allowances. The emissions trading commitment period has passed but, however, demand for emission allowances will fall in the short-term.

The European Commission has launched a product to assess extending the EU ETS to apply to emissions originating in the use of fossil fuels, particularly in the road transport and buildings sectors.

Technical emission allowance prices are showing a slight decline and fell below €20/t last week, although during the current week have held up at a level of €18.62. Emission allowance prices have been moving between this level and €22/t for several weeks now. There is support for emission allowance prices at a level approaching €18.62/t and €18/t. The closest resistance levels are €20/t, €20.56/t and €22/t. We expect emission allowance prices to move between €17.50/t and €22/t.



## On Agenda: Europe

Around 300 operators in the EU ETS have neglected their obligation to surrender emission allowances. This is up 50% on last year's figures. 160 facilities or airline companies have failed to report their emissions; half of these were from Portugal, Greece or Italy. In addition, some 150 operators failed to surrender enough emission allowances by the deadline; Italians account for around one third of this group. Italy was one of the first countries in Europe to order the closure of factories other than key factories to prevent the spread of the coronavirus. The pandemic has wreaked havoc also in other businesses. This year, around 2.7% of all those reporting under the EU ETS were thus unable to meet their obligations in full or in part. The European Commission did not postpone the dates for emissions trading operators to report and surrender allowances. The sanction for neglect of emission trading obligations is €100/t plus inflation and the surrender at a later date of a quantity of emission allowances corresponding to those not surrendered. Emissions covered by EU ETS fell at their most last year since the end of the financial crisis, with the largest reduction seen in the energy production sector. This year emissions are forecast to fall even further as many factories in Europe are closed and planes remain grounded.<sup>1</sup>

Austria closed its last coal-fired power plant on April 17 and Sweden followed in the same week. Sweden was the third country in Europe to completely discontinue the use of coal in energy production. Belgium did so in 2016. The coal-fired CHP plant in Stockholm was closed ahead of plans since the mild winter reduced the use of the facility, which has now been permanently shuttered.<sup>2</sup>

CDM pipeline	8.5.2020 10:50	
	Amount	Change
Number of projects**	8374	-6
Registered projects*	7808	0
Volume of the pipeline by the year 2020, MtCO <sub>2</sub> e**	515	0
Issued CERs, MtCO <sub>2</sub> e*	2000	15

\*Change compared to the previous report.

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

Upcoming events	
Date	Event
May 2020	ENVI committee - vote on checking the regulation on marine emissions
8.5.2020	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 Carbon Pulse news](#)

[2 Energiuutiset news \(in Finnish\)](#)

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