

### EUA prices €/t 15.5.2020 13:35

Product	Bid	Ask	Last	Change*
Spot**	19.09	19.12	19.09	1.20 % ↑
Dec-20	19.18	19.20	19.18	1.15 % ↑
Dec-21	19.54	19.57	19.54	1.07 % ↑
Dec-22	19.95	20.00	19.95	0.95 % ↑

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

### sCER prices €/t 15.5.2020 13:35

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

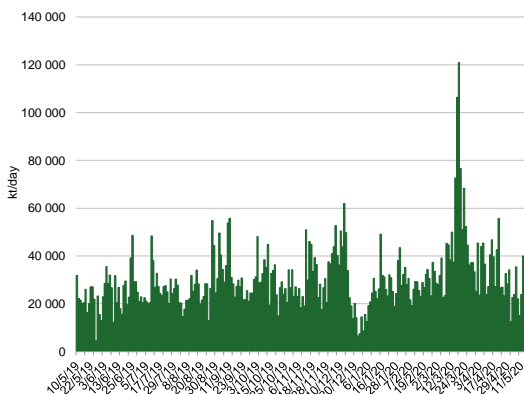
### Spread Change\*

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	19.54	1.07 % ↑

\*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 15.5.2020 13:35

Product	Unit	Prices*	Change*
ENO Q3-2020	€/MWh	10.25	12.88 % ↑
ENO 2021	€/MWh	21.80	1.19 % ↑
ENO 2022	€/MWh	24.75	-0.81 % ↓
ENO 2023	€/MWh	27.05	-0.55 % ↓
EEX, Base load Cal-21	€/MWh	35.85	-0.81 % ↓
Brent crude	\$/bbl	31.78	7.11 % ↑
Natural gas UK (Q2-20)	p/therm	15.21	-9.31 % ↓
Coal CIF ARA API2 2021	\$/t	52.85	0.09 % ↑

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

## Market Analysis

Emission allowance prices sought a direction between €16.62 - €19.88/t last week. On Monday, emission allowance prices touched their lowest for the week but ultimately closed higher gaining support from the absence of an auction on Monday. The rise on Tuesday was limited by the resistance level of €19.79/t and the day's auction was barely over than the price started to fall. A small price rise was seen on Wednesday and Thursday, slightly stronger on Thursday with support for the price from the oil market. Attempts at a rise on Friday were insufficient and the closing price on Friday was ultimately down at €19.35/t, a fall of €0.34 on the week.

Emissions allowance prices have shown a slight fall this week. Auction demand last week was weak on Tuesday; the auction barely survived. Demand at auctions later in the week was better and prices were noticeably higher than the current market price. This week's auction availability of 16.2 Mt is higher than the previous week. Auction volumes will fall the following week since only three auctions will be held earlier in the week. Only 10.7 Mt will be available, which could support emission allowance prices later in the week.

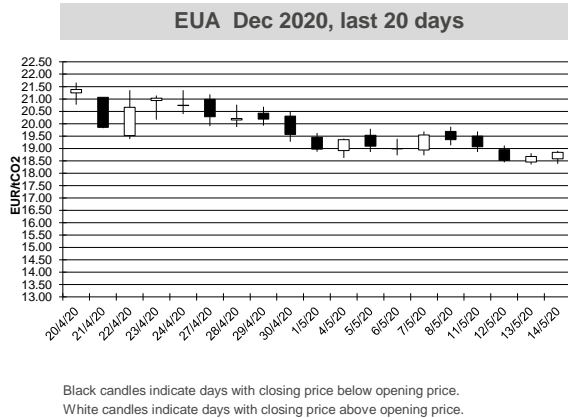
## Market View

On Friday last week, the European Commission published the allowance surplus in the market for last year. The published total number of allowances in circulation (TNAC) is 1385.5 Mt. This means that the MSR will remove a total of 332.5 Mt between September 2020 and August 2021. This total excludes the UK's emission allowances for 2019, which means a slight fall in the TNAC. The UK's allowances for 2019 will be calculated in the TNAC calculation appearing in a year's time. The number of allowances published in 2019 that were placed in the MSR was 397 Mt. Starting in September 2020, auction availability will rise slightly, but not bring support to emission allowance prices.

The weather during the current week is cold, but next week the weather will be warmer in Central Europe. The price of TTF gas continues to fall despite colder weather and the upward trend in oil prices seems to be showing signs of fading.

General market sentiment, which is dominated by the ongoing virus pandemic, continues to drive the emissions trading market. Market sentiment may improve once countries in Europe ease restrictions. On the other hand, there is still much uncertainty as to how quickly the economy will recover and this can uphold cautious investor sentiment.

Technically, emission allowance prices have remained heading south and there are no signs of this trend reversing. Since allowance prices sought a direction last week, they have fallen to their lowest level for five weeks. There is support for emission allowances at a price approaching €18 and €17.26/t. The closest resistance levels are €18.83 and €19.00/t. We expect emission allowance prices to continue to show a slight fall and to move between €17-€20/t.



## On Agenda: Europe

Germany will probably push back the closure of its first coal-fired power plants to 2021. Lawmakers are otherwise occupied with mitigating the impacts of the virus pandemic. The first closing auction is expected to be held in November. Since there is a lag between auctions and the publication of results, the first coal-fired power plant would not close until 2021. Before coronavirus hit the German economy, the plan was to hold the first competitive bidding this summer and the first facilities burning coal would close in the autumn. The German government will presumably not vote on the act on the matter before its summer recess which starts at the beginning of July. Germany plans to decommission 30 GW of its coal-fired condensing power plants by 2022 and aims to close all coal-fired facilities by 2038. <sup>1</sup>

CDM pipeline	15.5.2020 13:35	
	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

## On Agenda: Global

The Covid-2019 pandemic is the greatest shock to hit the energy system for 70 years. According to the IEA's Energy Review, demand for energy has fallen more because of the coronavirus pandemic than in the times of the financial crisis. Forecasts predict a fall of 6% in global demand for energy this year. The implications will be seen mostly in demand for coal and gas, and so far carbon dioxide emissions have fallen by 8%. However, emissions are expected to increase as the economy recovers. How quickly restrictions are lifted will affect energy demand and emissions also later in the year. Low-carbon energy sources will reach a 40% share of global electricity production this year. <sup>2</sup>

Upcoming events	
Date	Event
May 2020	ENVI committee - vote on checking the regulation on marine emissions
18.-19.6 2020	The European Council Summit: Law draft on 2020 Climate neutrality law and checking the 2030 target on agenda

### Contacts:

Markus Herranen

Toni Sjöblom

Laura Pokka

E-mail: [firstname.lastname@gasum.com](mailto:firstname.lastname@gasum.com)

### Sources:

[1 Montel news](#)

[2 IEA report](#)

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