

### EUA prices €/t 22.5.2020 13:33

Product	Bid	Ask	Last	Change*
Spot**	20.87	20.91	20.87	9.77 % ↑
Dec-20	20.96	20.98	20.96	11.98 % ↑
Dec-21	21.32	21.36	21.32	11.73 % ↑
Dec-22	21.73	21.78	21.73	11.46 % ↑

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

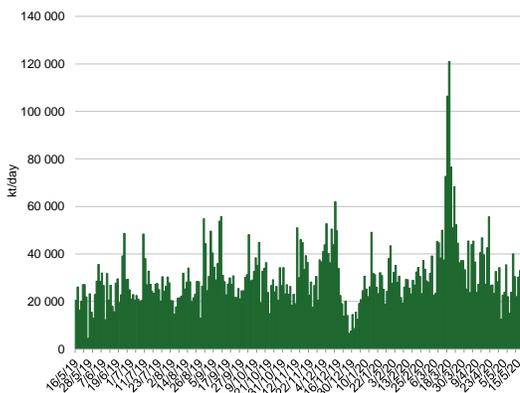
### sCER prices €/t 22.5.2020 13:33

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.22	0.24	0.24	0.00 %

\*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 22.5.2020 13:33

Product	Unit	Prices*	Change*
ENO Q3-2020	€/MWh	9.40	-2.66 % ↓
ENO 2021	€/MWh	22.14	0.23 % ↑
ENO 2022	€/MWh	24.85	-0.20 % ↓
ENO 2023	€/MWh	26.50	-2.83 % ↓
EEX, Base load Cal-21	€/MWh	37.31	4.50 % ↑
Brent crude	\$/bbl	34.37	12.22 % ↑
Natural gas UK (Q2-20)	p/therm	11.86	-24.93 % ↓
Coal CIF ARA API2 2021	\$/t	52.40	-0.86 % ↓

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

## Market Analysis

Emission allowance prices have recovered slightly. At the start of last week, emission allowance prices were falling. The €18.83/t support level, which has been tested multiple times, was broken on Tuesday and selling off brought emission allowances down to €18.44/t. This level lent support to emission allowances on Wednesday, and the Wednesday candle was slightly bullish. Towards the end of the week, the recovery of the power and fuel markets resulted in a slight upward correction of the emission allowance market, too. On Thursday, emission allowances rose to €18.84/t. Friday closed at €19.17/t. At the weekly level, emission allowances were down by €0.18.

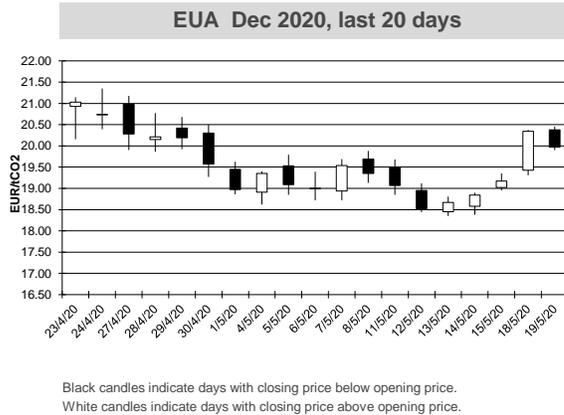
This week, the prices have risen above the previous high and mostly remained above €20/t. Prices have been driven higher by thin auction supply and the general sentiment. There are three auctions this week, as the last two ones will not take place due to the public holiday period. There will be no auction on Monday next week, either, so next week's auction supply will be 13.5 Mt.

## Market View

Germany's solar output is projected to be weaker than normal this week and next, and wind power production will be weak this week, possibly boosting emission allowance demand. Temperatures are forecast to be warmer than normal in Central Europe for the rest of the month. Gas will still remain more competitive than coal, as near-term TTF gas prices have plummeted again. Demand, of the lack thereof, is pushing gas prices down. Storage surplus is expected to continue until next year. As regards French nuclear power, France is going to prolong and further increase nuclear power plant outages to save fuel during low demand. Outage extensions have been introduced for periods including early next year. EDF had already previously lowered its nuclear output projection for the current year. Reduced nuclear output may lend support to the power and fuel futures markets and, consequently, on emission allowance prices. Many European countries have started to relax their restrictions relating to the coronavirus epidemic. Power demand will increase as industry and service sectors recover. The outlook is, however, weakened by the risks caused by societies being opened again.

At the European level, around 97% of free allocations have already been made for 2020. All EU Member States excluding Spain and the UK have allocated 95% or more of their free allowances.

Technically, emission allowance prices are showing bullish signs as the prices have climbed over the previous high of €19.88/t. The bullish trend would be confirmed if emission allowances climbed over €21.77/t and €22.55/t. Nearest support for emission allowances is provided at €20/t and €19/t as well as at €18.72/t and €18.35/t. We expect emission allowance prices to remain slightly on the rise and be moving within the €18–€21/t range.



## On Agenda: Europe

The EU has launched the call for tender for the third Common Auction Platform (CAP) of the EU ETS. A platform is sought for the auctioning of allowances on behalf of 25 Member States other than Germany and Poland, as well as for Norway, Iceland, Liechtenstein, and for allowances for the Innovation Fund and the Modernisation Fund. The contract will be awarded on the principle of best value for money and signed for five years. The auctions at the platform are expected to start at the beginning of 2021. The 2021 auction calendars are planned to be published in autumn 2020. The auctions are currently hosted by EEX, while ICE has hosted the UK auctions. At the ICE, secondary market trading volumes are higher than at the EEX, and some think that the UK leaving the EU ETS at the end of this year may also affect the ICE's dominant position as the most important trading point. <sup>1</sup>

CDM pipeline	22.5.2020 13:33	
	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 global growth of renewable energy will slow for the first time in 20 years due to the coronavirus pandemic. According to the International Energy Agency (IEA), fewer renewable energy projects will be built this year than in 2019, which saw a record rollout of renewables. A rebound may still be possible, if government decisions support a green economic recovery. According to new forecasts, growth will be 13% less than the amount of new capacity which started up in 2019. The slowdown is more severe in Europe, with the IEA forecasting growth to fall by as much as a third. The impact of the pandemic will wipe out the growth in fossil fuel demand this year, but the renewable energy industry has been more resilient. <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

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### Sources:

[1 Carbon Pulse news](#)

[2 The Guardian news](#)

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