

EUA prices €/t 28.5.2020 14:16

Product	Bid	Ask	Last	Change*
Spot**	20.91	20.93	20.91	0.62 % ↑
Dec-20	21.00	21.01	21.00	0.62 % ↑
Dec-21	21.35	21.38	21.35	0.56 % ↑
Dec-22	21.77	21.81	21.77	0.60 % ↑

*Change compared to the previous report ** EEX spot

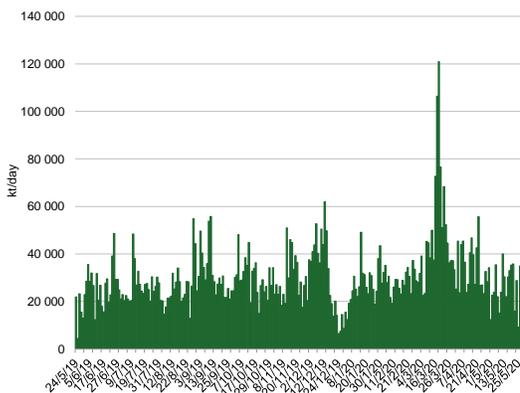
sCER prices €/t 28.5.2020 14:16

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.22	0.25	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 28.5.2020 14:16

Product	Unit	Prices*	Change*
ENO Q3-2020	€/MWh	9.30	-3.76 % ↓
ENO 2021	€/MWh	23.00	5.22 % ↑
ENO 2022	€/MWh	25.35	2.25 % ↑
ENO 2023	€/MWh	26.70	0.37 % ↑
EEX, Base load Cal-21	€/MWh	37.67	1.73 % ↑
Brent crude	\$/bbl	34.58	-1.56 % ↓
Natural gas UK (Q2-20)	p/therm	11.53	-19.31 % ↓
Coal CIF ARA API2 2021	\$/t	52.20	-1.05 % ↓

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

Market Analysis

Emission allowance prices rose last week. Emission allowances were supported by the lower auction supply. On Monday, prices climbed 91 cents in the wake of the oil and stock markets and rose above the €20/t level. On Tuesday, there was a slight downturn as the power markets were falling. Wednesday saw a rise of 6.5% due to a strong auction. Germany also announced the level of its national carbon dioxide tax for 2021 (€25/t), and although the announcement does not apply to the EU ETS in any way, emission allowance prices climbed to €21.26/t. Emission allowance prices declined slightly on Thursday as many market participants had a day off. Friday's upward correction lifted emission allowances to €21.40/t. At the weekly level, emission allowance prices were up by €2.23/t.

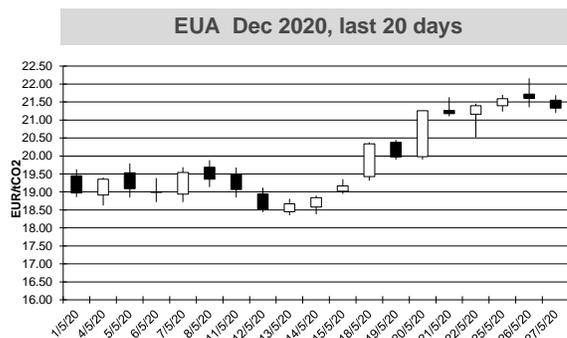
With no auction on Monday, this week's auction supply will be 13.52 Mt. There will be no auction on next Monday due to a public holiday, either, so next week's auction supply will be 13.13 Mt. The normal auction schedule will resume again from June 8 onwards.

Market View

Weather will continue to have a neutral impact on emission allowances. European temperatures are expected to remain warm in the weeks ahead. Higher solar output will compensate for wind power output being slightly weaker than normal. The front-month TTF gas price dipped to a record low level last week. The weak gas price and the current price level of emission allowances are therefore maintaining low profitability in coal-fired production. Southern and Central European power demand was still 6–16% below normal last week, despite the gradual opening of societies from lockdowns imposed due to the coronavirus epidemic.

Trade tensions between China and the US have increased recently. China has proposed a national security law for Hong Kong, viewed as a move to gain control of the special administrative region. This has affected US-Chinese relations and increased trade war tensions. The US is considering sanctions in response to China's actions and will state its position later this week. The stock markets have been climbing since the March low, as many countries have announced massive stimulus packages, but the growth may halt or even reverse if the trade war continues.

On Wednesday May 27, the European Commission will publish the proposal for the 2021–2027 budget as well as an economic recovery package. The economic impacts of the coronavirus epidemic are taken into account in the proposals. There is no intention to delay the European Green Deal and in particular the 2050 Climate Law. Emission allowance prices were technically bullish last week. The trend turned down from €22.16/t during the current week, which was also forecast by a few weaker trading days. The nearest price support levels for emission allowances can be found at €21/t and €20.61/t. Resistance levels are found at €21.70/t, €22.16/t, €22.26/t and €22.55/t. Due to the weaker technical picture, we expect emission allowance prices to fall and be moving within the €20–€22/t range.



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

CDM pipeline	28.5.2020 14:16	
	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
18.-19.6.2020	The European Council Summit: Law draft on 2020 Climate neutrality law and checking the 2030 target on agenda
24.-25.6.2020	ENVI committee - vote on checking the regulation on marine emissions

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Sources:

- [1 Helsingin Sanomat news \(in Finnish\)](#)
- [2 Euractiv news](#)
- [3 The Guardian news](#)

On Agenda: Europe

The European Commission has unveiled a €750 billion recovery plan to reboot economies hit by the coronavirus outbreak. The plan includes both grants and loans. The Recovery and Resilience Facility amounts to €560 billion, of which a grant facility will probably account for €310 billion and €250 billion will be made available as loans. The recovery package will also provide a top-up for regional funding and the Green Deal. The recovery funding aims to mitigate the effects of the recession brought about by the coronavirus epidemic. The EU economy is expected to contract by 7.4% in terms of GDP this year, exceeding the 4.3% decline seen in the 2009 recession. Most of the funding constitutes loans taken out by the Commission, and support will be available to all Member States. New sources of funds for the EU proposed by the Commission include a resource based on the EU ETS, a Carbon Border Adjustment Mechanism, a tax on plastics and a digital tax. ^{1,2}

On Agenda: Global

The COP26 climate talks are likely to be delayed further. Due to be held in November 2020, the talks were postponed in April as governments around the world grappled with the coronavirus lockdown. The UK is likely to request another delay until November 2021. The talks will be held in Glasgow, and the UK will try to persuade other countries and the UN to postpone the event in full by a year. The UK government believes that travel restrictions would impede all large-scale conferences. A long delay can be seen as making it more difficult to ensure the commitment of reluctant countries to come up with new national emission reduction ambitions. Carbon dioxide emissions have fallen as a result of lockdowns, but economic recovery measures are likely to be well underway before the climate talks eventually begin. ³

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