

EUA prices €/t 12.6.2020 13:04

Product	Bid	Ask	Last	Change*
Spot**	22.14	22.17	22.14	1.72 % ↑
Dec-20	22.21	22.23	22.21	1.67 % ↑
Dec-21	22.54	22.58	22.54	1.51 % ↑
Dec-22	22.96	23.00	22.96	1.52 % ↑

*Change compared to the previous report ** EEX spot

sCER prices €/t 12.6.2020 13:04

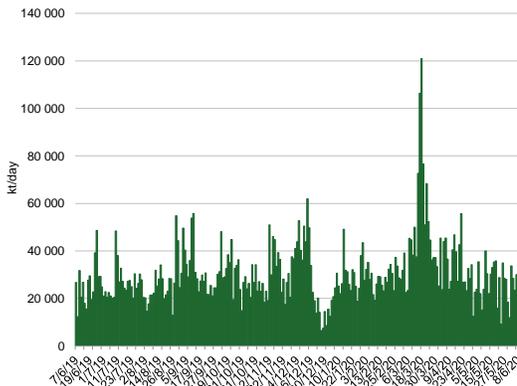
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.22	0.23	0.23	-4.35 % ↓

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	22.54	1.51 % ↑

*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 12.6.2020 13:04

Product	Unit	Prices*	Change*
ENO Q3-2020	€/MWh	13.91	31.70 % ↑
ENO 2021	€/MWh	24.71	5.10 % ↑
ENO 2022	€/MWh	25.80	2.13 % ↑
ENO 2023	€/MWh	27.20	1.47 % ↑
EEX, Base load Cal-21	€/MWh	38.71	1.08 % ↑
Brent crude	\$/bbl	40.30	2.56 % ↑
Natural gas UK (Q2-20)	p/therm	13.58	-3.31 % ↓
Coal CIF ARA API2 2021	\$/t	54.50	-0.37 % ↓

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

Market Analysis

Emission allowance prices have been climbing. Emission allowance prices closed downward on Monday last week due to the economic outlook as China-US tensions increased. Monday was also a public holiday in many countries, so trading volumes were low. On Tuesday, emission allowance prices rose by more than a euro to above €22/t. On Wednesday, prices were seeking direction in the gas market, and the same applied to emission allowance prices. On Thursday, the market was more optimistic and Friday already saw a considerable rise in the wake of the climbing oil prices. Emission allowance prices closed at €23.24 and broke through an important resistance level. At the weekly level, emission allowance prices were up by €1.84. During the current week, emission allowance prices have fallen from last week's high and been seeking direction.

Auction supply has levelled off and varies week to week within the 15.85–16.24 Mt range. Pre-arranged changes will next be seen in August when auction supply will be halved. Last week, trading volumes on the ICE were slightly below average.

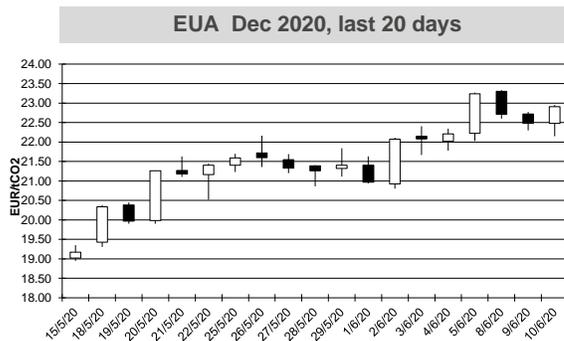
Market View

The fuel market saw a strong rise due to production restrictions, which also pushed emission allowance prices higher. The OPEC+ meeting decided to extend the oil output curbs, and in Russia difficulties have emerged in the coal supply chain. The climb has, however, reversed as the demand outlook still remains limited and the output restrictions are already reflected in the prices.

The stock markets have been bullish in recent weeks, but the rise is thought to be in part unfounded and a correction may be on its way. According to the OECD, the coronavirus pandemic has triggered the most severe global recession in nearly a century. The OECD forecasts that the economy will contract by 6–7.6 %, depending on whether or not there will be a second global outbreak. The US GDP is projected by the Federal Reserve to contract by 6.5%. In the US, the rate of new coronavirus infections has accelerated, sparking fears of a second wave. Consequently, the stock markets have been declining in recent days.

European weather is getting warmer, but the period forecasts are not indicating any heatwaves increasing the need for cooling. Electricity consumption is still below normal. Rather than demand, emission allowance trading has recently been guided by the sentiment and by technical indicators.

Technically, emission allowance prices turned to an uptrend last week after having broken through the €22.90/t level. Having reached the €23.33/t level this week, emission allowances have taken a downturn. Closest support for emission allowance prices is provided at €22.16/t, €22/t and €20.80/t. Resistance levels are found at €22.55 €/t, €22.90/t, and at this week's high of €23.33/t. We expect emission allowance prices to fall slightly due to the economic outlook and to be moving within the €20–€23/t range.



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

CDM pipeline	12.6.2020 13:04	
	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
24.-25.6.2020	ENVI committee - vote on checking the regulation on marine emissions
Q3-20	Raising greenhouse gas emission reduction ambition to 50-55 % by 2030.

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Sources:

- [1 Bloomberg news](#)
- [2 BBC news](#)
- [3 BBC news](#)

On Agenda: Europe

Germany has presented its stimulus plan, which puts the focus on climate-friendly solutions. The country's €130 billion recovery budget is the most ambitious yet to support green initiatives. It allocates €41 billion to areas such as public transport, renewable energy and electric vehicles. Unlike after the financial crisis, no money is allocated to combustion engine vehicles. So far, 0.2% of the recovery spending of the world's 50 largest economies has been committed to stimulate low-carbon action. One of the single largest measures of the German package is to cut retail-power costs by €0.02/KWh. ¹

The UK has been two months without burning coal to generate power. This is the longest period the country has gone without using the fossil fuel since the industrial revolution. Just 10 years ago, coal contributed to 40% of the UK's energy. The coronavirus crisis reduced the UK's power consumption, and the last of the four coal power stations was brought offline on April 9. Today, the UK has the biggest offshore wind industry in the world and the largest single wind farm, while ten years ago wind and solar accounted for only 3% of the country's electricity generation. This year, renewables have generated more energy than fossil fuels. ²

On Agenda: Global

The new dates for the COP26 conference have been agreed and the conference will now take place in early November 2021. The conference was originally set to take place in November this year but was postponed due to the coronavirus pandemic. ³

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