

### EUA prices €/t 23.10.2020 12:37

Product	Bid	Ask	Last	Change*
Spot**	25.07	25.09	25.07	-2.71 %
Dec-20	25.08	25.09	25.08	-2.71 %
Dec-21	25.26	25.27	25.26	-2.73 %
Dec-22	25.56	25.60	25.56	-2.82 %

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

### sCER prices €/t 23.10.2020 12:37

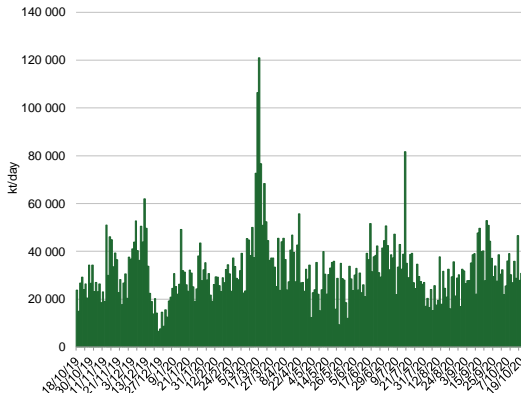
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.28	0.28	0.28	0.00 %

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	25.26	-2.73 %

\*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 23.10.2020 12:37

Product	Unit	Prices*	Change*
ENO Q1-2021	€/MWh	25.10	-12.15 %
ENO 2021	€/MWh	21.24	-12.99 %
ENO 2022	€/MWh	23.90	-3.72 %
ENO 2023	€/MWh	24.64	-3.08 %
EEX, Base load Cal-21	€/MWh	38.99	-3.18 %
Brent crude	\$/bbl	42.37	-2.24 %
Natural gas UK (Q1-21)	p/therm	44.88	8.76 %
Coal CIF ARA API2 2021	\$/t	59.50	1.85 %

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

## Market Analysis

The emission allowance price fell last week. Monday started the week on a slight fall, but the price recovered during the day. On Tuesday, coronavirus brought concern to the wider markets and the price of gas fell, as did the emission allowance price. On Wednesday, hopes of a continuation of Brexit negotiations were supportive, but on Thursday and Friday the emission allowance price was again in retreat because of restrictions caused by coronavirus. On Friday, the emission allowance price closed at a level of €24.89/t, the lowest figure for four months, and down €0.82 on the week.

The downward trend in the emission allowance price spilled over into the present week with the coronavirus situation and weak auction results. Auction availability will remain high for the rest of the year and fluctuate between 19.73 and 20.84 Mt a week before the break in December. Both last week and this, auction results in emissions auctions remained weak and have contributed to downward pressure on the aftermarket price.

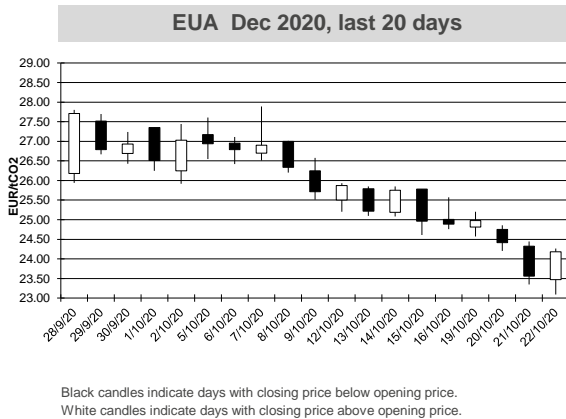
## Market View

The natural gas price has been rising and in recent days the coal price has shown a similar trend. The price of oil has been seeking direction in the longer term, but a softness has been seen in the price in recent days as the demand outlook has again weakened. The higher price of natural gas may be supportive of the emission allowance price by changing the operating order more in favor of efficient coal condensate power plants. The weather and renewables production are likely to remain at the normal level during the current week.

No agreement was reached in Brexit negotiations last week. Nevertheless, as the negotiations continue the markets may still gain direction from any outcome reached. There is less than two weeks to go before the US presidential elections and the election results and opinion polls preceding the elections could also sway general market sentiment.

Market sentiment is currently very weak on the emissions market. The coronavirus pandemic has continued to spread and growing numbers of infections have made many countries increase restrictions on movement, which weakens economic outlook. Stock markets have been falling this week and the coronavirus pandemic is threatening macroeconomic sentiment, which would also affect the emission allowance price. Auction availability will remain high and the demand outlook still seems weak.

Technically the emission allowance price is falling; the emission allowance has fallen south of the important support level of €24.80/t. Emission allowance volumes on the ICE were close to long-term median values last week and increasing during the current week. Support for the emission allowance price can be found at levels of €23.33/t as well as €22.57/t and €22/t. Resistance to a rise in the emission allowance price can be found at €24/t, €24.82/t, and €25/t. We expect the emission allowance price to continue falling and to trade at between €22-€25/t.



**On Agenda: Europe**

Even some of the EU's largest economies may fail to achieve their climate targets, which have been set for sectors outside emissions trading, so-called effort sharing sectors. The European Commission's assessment of national climate plans will be published during the current week. Even though the EU is currently on course to achieve its overall 2030 target, some countries, such as Austria, Denmark, and France, will not necessarily reach their national targets. Since national targets are linked to GDP, richer countries must reduce their emissions more. The EU is currently in talks to increase its 2030 climate target and in summer 2021 legislative proposals for climate targets and emissions trading can be expected. Road traffic and the heating of buildings have been included in discussions in the EU as to whether to include the sectors in emissions trading. <sup>1</sup>

**CDM pipeline 23.10.2020 12:37**

	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**

Poland and the USA have signed an agreement under which the United States will participate in Poland's nuclear power program. Poland can accelerate its final decision to build nuclear power plants in the country. Nuclear power would provide the Polish people with an opportunity to procure clean, reliable electricity and to diversify the country's energy palette. <sup>2</sup>

**Upcoming events**

Date	Event
23.10.2020	EU Environment Council meeting
3.11.2020	United States presidential election

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**Sources:**

- [1 Carbon Pulse news](#)
- [2 Energiauutiset news \(in Finnish\)](#)

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