

EUA prices €/t 30.10.2020 12:27

Product	Bid	Ask	Last	Change*
Spot**	23.56	23.61	23.56	-0.68 %
Dec-20	23.58	23.61	23.58	-0.64 %
Dec-21	23.74	23.79	23.74	-0.76 %
Dec-22	24.04	24.10	24.04	-0.75 %

*Change compared to the previous report ** EEX spot

sCER prices €/t 30.10.2020 12:27

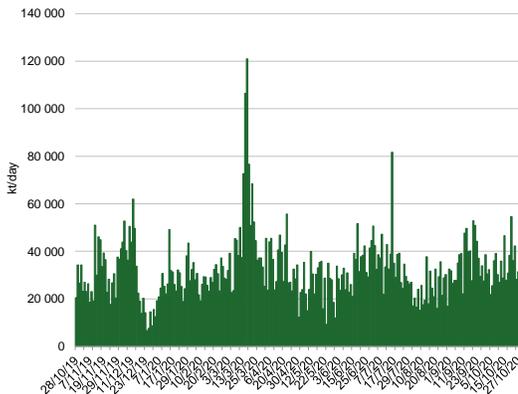
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.27	0.28	0.28	0.00 %

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	23.74	-0.76 %

*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 30.10.2020 12:27

Product	Unit	Prices*	Change*
ENO Q1-2021	€/MWh	21.00	-15.24 %
ENO 2021	€/MWh	18.55	-12.61 %
ENO 2022	€/MWh	22.45	-4.01 %
ENO 2023	€/MWh	24.00	-2.71 %
EEX, Base load Cal-21	€/MWh	37.75	-3.36 %
Brent crude	\$/bbl	37.52	-11.91 %
Natural gas UK (Q1-21)	p/therm	42.04	-4.08 %
Coal CIF ARA API2 2021	\$/t	59.40	0.17 %

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

Market Analysis

The emission allowance price was volatile last week. On Monday, trading was at around €25/t. A fall was seen on the market on Tuesday and Wednesday with technical selling and weak auction results. On Thursday, the allowance traded south of the support level of €23.33/t. Intraday trading saw the price dip to €23.09/t, its lowest level for four months, but supported by better auction trading the price then made an upward correction and closed the day up. The rise in the gas price on Friday also brought a strong rise to the emission allowance price, which closed on Friday at a level of €25.49/t, up €0.60 at the weekly level. However, the current week has again seen a downward correction.

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. Availability is higher compared to the fourth quarter of last year. Auction demand has been weak and most of the auction trades have settled at below the aftermarket price.

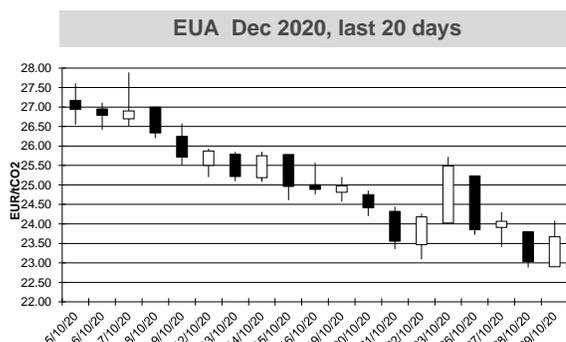
Market View

Recent days have seen a softening on the fuel and stock markets on the back of growing numbers of new coronavirus cases. The threat of increasingly stricter lockdowns is weighing on general market sentiment. Infection numbers have reached record figures in Europe and the United States. However, economic recovery and continued strong consumption have supported the stock markets. Should the number of infections continue rising, there is a growing risk of a downward correction, which would almost certainly be reflected in the emission allowance price. On the oil markets the corona crisis has weakened demand outlook and lowered the crude oil price. The strong price of gas has increased the profitability of coal condensate power compared to gas condensate power, especially with near products.

Last week, the EU's Environment Council resolved to support the proposal of Germany, which currently holds the presidency of the Council of Europe, on the main points of the European climate law. Most of the environment ministers supported the 55% climate target and no country opposed it. It is expected that the 2030 target will be decided at the EU meeting on December 10-11, where all Member States must support the target for it to be adopted. Poland's proposal to channel more money to support the country's energy reform can be considered a condition for Poland to support the higher climate target for 2030.

No progress has been made in the Brexit negotiations. According to some sources, the UK prime minister is waiting for the US election results before deciding his view on the UK's leaving the EU with or without an agreement. It is assumed that Johnson is more likely in to be favor of a no-deal Brexit if the incumbent president Trump is re-elected.

Technically, the emission allowance price is falling but last week the price made an upward correction having tested levels approaching one of June's peaks at €23.33/t. Volumes on the ICE last week were higher than normal. Support for the emission allowance price can be found at levels of €23.33 €/t, which also held last week, as well as at €22.70/t, May's peak of €22.55/t, as well as €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 - 26/t.



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

CDM pipeline	30.10.2020 12:27	
	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
3.11.2020	United States presidential election
10. - 11.12.2020	EU leaders' Summit: decision on climate law

Contacts:

Markus Herranen
Toni Sjöblom
Laura Pokka
E-mail: firstname.lastname@gasum.com

Sources:

- [1 Carbon Pulse news](#)
- [2 Climate change news](#)
- [3 Financial Times news](#)

On Agenda: Europe

The EU ETS free allocation would be gradually phased out if a carbon border adjustment mechanism is imposed. In a proposal discussed in the EU's ENVI committee, the carbon border adjustment mechanism would first be applied to imports of electricity, cement and steel starting from 2023. There was also a proposal to withdraw the free allocation from industry once the mechanism was working. There was support for the proposal and the matter will be voted on in various bodies next year in the hope of influencing the Commission's law proposal, which will be presented in June next year. ¹

On Agenda: Global

Peru and Switzerland have signed the world's first carbon offsetting deal under the Paris Agreement. Under the deal, Switzerland will fund emissions reductions made in Peru and receive the right to count the resulting emissions cuts against its own national climate targets. Although the UN climate negotiations have yet to reach agreement on the details of international emissions trading, a framework is in place to strike bilateral agreements. The deal between Switzerland and Peru took two years to negotiate and the provisions prevent the double counting of emissions reductions. The money to fund emissions reduction projects will come from Swiss motor fuel importers, who can pass on the costs to consumers. Switzerland also intends to reach a quarter of its emissions reduction targets through emissions reductions. ²

South Korea and Japan have committed to being carbon neutral by 2050. South Korea made the announcement two days after Japan and now the target for both countries is in line with that of the EU. Already earlier in October, China had announced it intended to be carbon neutral in 2060. Only 5% of electricity in South Korea comes from renewable sources and the country has been accused of lagging behind other advanced countries in its efforts to comply with the Paris Agreement. The country now intends to phase out the burning of coal by 2030. ³

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