

### EUA prices €/t 30.1.2020 12:12

Product	Bid	Ask	Last	Change*
Spot**	23.72	23.76	23.72	-6.16 %
Dec-20	23.80	23.82	23.80	-6.18 %
Dec-21	23.96	24.00	23.96	-6.26 %
Dec-22	24.20	24.26	24.20	-6.53 %

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

### sCER prices €/t 30.1.2020 12:12

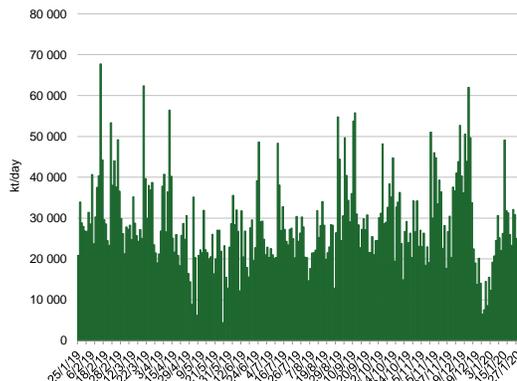
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.22	0.00 %
Dec-20	0.20	0.21	0.21	-9.52 %

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	23.96	-6.26 %

\*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 30.1.2020 12:12

Product	Unit	Prices*	Change*
ENO Q2-2020	€/MWh	19.65	-7.89 %
ENO 2021	€/MWh	27.70	-7.04 %
ENO 2022	€/MWh	29.20	-6.16 %
ENO 2023	€/MWh	29.10	-6.87 %
EEX, Base load Cal-21	€/MWh	42.14	-2.40 %
Brent crude	\$/bbl	58.71	-9.61 %
Natural gas UK (Q2-20)	p/therm	24.88	-3.81 %
Coal CIF ARA API2 2021	\$/t	61.20	1.88 %

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

## Market Analysis

Last week, emission allowance prices fell. On Monday, the prices climbed to the week's highest level but then took a slide, ending up slightly above the €25/t support level. The decline continued on Tuesday as auction demand was lackluster, and the day closed below the €25/t support level and below the 100-day average. Prices lifted back on Wednesday, but much of the gains were given back later on. On Thursday and Friday, the decline continued at the daily level as the sentiment was affected by the weak financial and oil markets. Friday closed at €24.38/t. At the weekly level, emission allowance prices were down by €1.06.

Auction demand was relatively low last week. There will be auctions on every business day of this week, and auction supply will rise to 15.8 million allowances.

## Market View

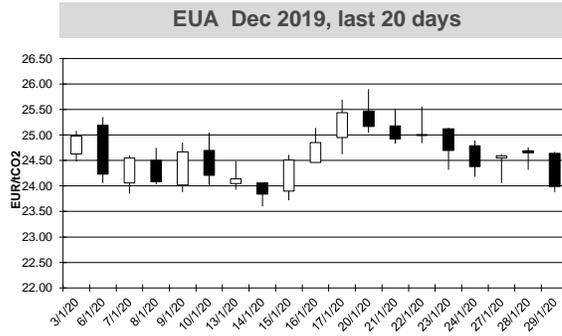
This winter in Europe is looking continuously mild. The fuel market situation remains weak. The Chinese coronavirus outbreak is reducing flights and therefore affecting jet fuel demand, and the same sentiment also prevails in other markets. Gas price has remained weak. Stocks were also pushed down in the first days of the week by the virus outbreak, but the move has since been corrected.

Switzerland will sell 350,000 tonnes in its first EU ETS linked auction. The auction takes place on March 9, but if the clearing price differs significantly from the EU ETS price at that time, the auction may be cancelled and rescheduled for late March. The Swiss ETS has suffered from low prices and poor liquidity.

The European Parliament is likely to officially approve the Brexit Withdrawal Agreement this week. The announcement concerning the timing of the UK's 2019 auctions and free allocation is not expected until mid-February the earliest. Communication on the start of the auctioning of the 50 million allowances for the Innovation Fund is also expected this week.

President von der Leyen mentioned at the Davos meeting that the EU intends to proceed with its plan to impose a carbon border tax unless other countries implement carbon pricing systems of their own. The USA has threatened retaliation if a carbon tax is introduced. The Trump administration is not planning to put a price on carbon.

Emission allowance prices have been on a downtrend and fallen below the €25/t support level and below the most important moving averages. The nearest support level for emission allowance prices can be found at €24/t, and support is also provided by €23.60/t and €23.15/t. Resistance to emission allowance prices climbing is provided by €25/t, €25.40/t and the moving averages of €24.75–€25.15/t. We expect the emission allowance trend to remain bearish and the prices to be moving within the €23/t–€25/t range.



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

CDM pipeline	30.1.2020 12:12	
	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
31.1.2020	Brexit day
March	Proposal of 2050 Carbon neutrality deal law draft

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**Sources:**

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

## On Agenda: Europe

EU countries are outsourcing their emissions to non-EU countries. Countries in the EU are importing electricity from countries that have zero or near-zero carbon pricing. According to a report by the Sandbag think tank, the EU is outsourcing its carbon dioxide emissions and incentivizing the construction of coal power in non-EU countries. For example, the volume of electricity imported to Spain from Morocco due to a newly built coal-fired plant exceeds the volume exported there. Electricity imports to Europe have increased in line with the increase in emission allowance prices. Net imports were up from 3 TWh to 21 TWh in two years. The largest electricity importer is Finland, which imports electricity from Russia. Most of Russia's electricity is coal-powered. According to an analyst, half of the electricity imported from Russia to Finland is generated from a fossil fuel, natural gas. Electricity imported to the EU emitted an estimated 26 million tonnes of carbon dioxide into the atmosphere and saved the countries €630 million as they did not pay the EU ETS carbon price for it. The solution proposed by Sandbag is border carbon adjustment (BCA) for commodities imported from non-EU countries. The European Commission is looking into such border carbon tariffs as part of its Green Deal. <sup>1</sup>

SSAB intends to get fossil-free steel onto the market in 2026. The steel company is tightening up its goal by almost ten years from the original 2035. SSAB is the largest individual carbon dioxide emitter in Finland. The investment will reduce carbon dioxide emissions in Finland by 7% and in Sweden by 10%. The global target set by the company is to cut emissions by around 10 million tonnes. In SSAB's innovation, the use of coal and coke in steel production is replaced by hydrogen gas produced with no emissions. Steel production accounts for around 7% of carbon dioxide emissions globally. <sup>2</sup>

## On Agenda: Global

Tech giants were the biggest buyers of renewable energy last year. Tech firms bought almost a quarter of the renewable energy sold to global companies last year. Google, Facebook, Amazon and Microsoft were the biggest buyers. Altogether 100 companies in 22 countries struck deals to buy 19.5 GW of renewable energy. The forecast for the decade ahead is that an estimated 105 GW of renewable energy will be purchased, requiring around USD 100 billion of investment. <sup>3</sup>

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