

EUA prices €/t 26.2.2020 14:18

Product	Bid	Ask	Last	Change*
Spot**	23.82	23.84	23.82	-4.91 %
Dec-20	23.87	23.88	23.87	-4.94 %
Dec-21	24.05	24.08	24.05	-4.91 %
Dec-22	24.29	24.33	24.29	-4.78 %

*Change compared to the previous report ** EEX spot

sCER prices €/t 26.2.2020 14:18

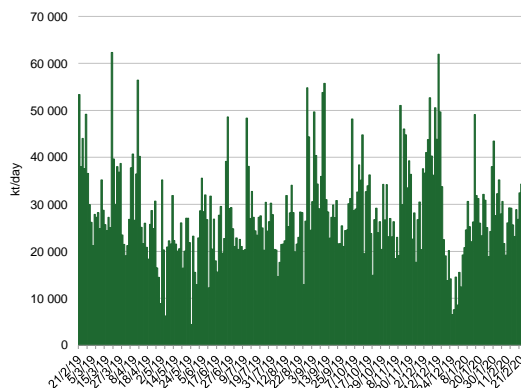
Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
Dec-20	0.22	0.24	0.24	4.17 %

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	24.05	-4.91 %

*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 26.2.2020 14:18

Product	Unit	Prices*	Change*
ENO Q2-2020	€/MWh	15.15	16.50 %
ENO 2021	€/MWh	27.50	-0.36 %
ENO 2022	€/MWh	29.45	-1.19 %
ENO 2023	€/MWh	29.45	0.31 %
EEX, Base load Cal-21	€/MWh	41.27	-5.19 %
Brent crude	\$/bbl	53.81	-5.59 %
Natural gas UK (Q2-20)	p/therm	21.57	-8.93 %
Coal CIF ARA API2 2021	\$/t	57.55	-6.34 %

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

Market Analysis

Last week, emission allowance prices continued to climb through support levels in the wake of the stronger energy market. On Monday, emission allowances gained one euro and rose to €25.05/t. On Tuesday, the market was uncertain and the climb turned out minor. On Wednesday, the uptrend took emission allowance prices to €25.41/t. On Thursday and Friday direction was being sought as the publication of the UK auction calendar was delayed and the fuel market was weaker. Thursday saw the week's intraday high, but resistance was provided by the previous intraday high of €25.90/t and the prices ended up taking a downturn. On Friday, a hammer candlestick occurred, indicating uncertainty in the market and potential uptrend change. Emission allowance prices closed at €25.61/t on the week's last trading day, with emission allowances up by €1.32/t at the weekly level.

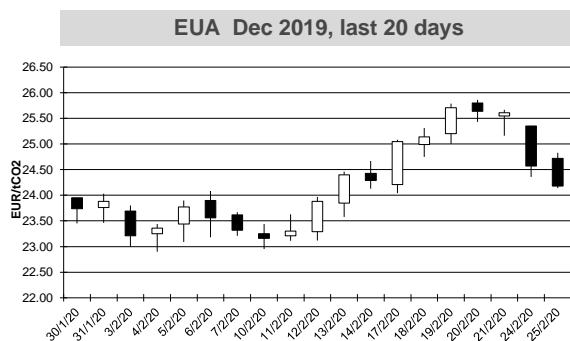
Last week's auction demand was weaker, the bid-to-cover ratio remained below 2 with the exception of Friday, and prices settled below the secondary market. This week's auction supply totals 15.8 million EUAs.

Market View

The weather in Europe will stay generally mild, and there are no signs in the forecasts of any actually cold weather when moving into the beginning of March. Financial markets have plunged as the coronavirus epidemic has created downward pressure on the markets again now that the virus has spread further outside China. The markets are watching the situation and developments in the epidemic may provide direction for the markets in the period ahead. The fuel markets have dropped again after a stronger week. The gas market is expected to remain weak throughout June and the situation is projected to remain the same until the start of the preceding year, too.

The UK auctions will restart next week on Wednesday, March 4. Supply for 2019 and 2020 will be auctioned, with the preliminary volume being 123.4 million tonnes, as expected. This will be cut for the rest of the year by the MSR, so the total volume will probably be closer to 115 million tonnes. Auction-specific volumes will vary from August's halved supply of 2.87 million to 6.8 million tonnes during the rest of the year. From March to July the volume per auction will be 5.73 million tonnes. The year's only EUAA auction will take place on April 25.

Emission allowance prices have been testing the previous high but, as the support level held, the downtrend of emission allowances continues. Emission allowance prices have dropped below the important support level of €25/t. The nearest strong support level is at €24/t. Support for emission allowance prices can also be found at €23.34/t and €22.90/t. Resistance to emission allowance prices climbing is provided by €25/t, €25.50/t, €25.90/t and €27/t. We expect emission allowances prices to decline and remain 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	26.2.2020 14:18	
	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
4.3.2020	Proposal of 2050 Carbon neutrality deal law draft
31.3.2020	Clarification of emissions submitted to FINETS system

Contacts:

Markus Herranen

Toni Sjöblom

Laura Pokka

E-mail: firstname.lastname@gasum.com

Sources:

[1 Aftonbladet news \(in Swedish\)](#)

[2 Bloomberg news](#)

On Agenda: Europe

Sweden has cancelled 11.7 million EUAs, an amount equaling the annual emissions from Sweden's fleet of cars and light trucks. Sweden decided to cancel the EUAs instead of selling the surplus to other countries, as the government does not want other countries to benefit from Sweden's climate efforts. These are surplus EUAs as Sweden's emissions have been below the EU allocation. The EUAs come under the Effort Sharing Decision, with some of them also being Kyoto units. Sweden does not want to make Kyoto mechanisms part of international emissions trading under the Paris Agreement.¹

On Agenda: Global

China's climate emissions have been cut by 100 million tonnes as industrial output has been hit by the coronavirus epidemic. An analysis by the climate nonprofit Carbon Brief found that emissions were cut over a two-week period by a quarter compared with the same period in previous years. The reduction in emissions is a result of lower output from oil refineries and coal use for power generation and steel-making. If the long-term reductions last, China's annual emissions may fall by 1%. There is no guarantee that they will, however, as China has a lot of spare capacity in coal power generation and industries to ramp up output to compensate for production cuts during the epidemic. The Chinese government is also preparing a stimulus package which may increase the country's emissions due to increased coal burning following the recovery of the cement and steel industries.²

Terms of delivery: The Emissions Trading Weekly (the "Review") is delivered via email to the Buyer's contact persons as an Adobe Acrobat pdf-document. All rights to the Review are reserved to Gasum Portfolio Services Oy. The Review, parts of the Review and the username and password that enable access to the Review, shall not be redistributed by the Buyer in any form to any third party, including subsidiaries, partly -owned companies and owners. Redistribution of the Review in any form is illegal and Gasum Portfolio Services Oy will fully enforce all available legal remedies in the event of such redistribution.

Gasum Portfolio Services Oy disclaims all warranties as to the accuracy, completeness or adequacy of information in the Review and does not assume any responsibility of delays in delivery of or access to the Review. The Buyer assumes full responsibility and risk of, and Gasum Portfolio Services Oy shall not be liable for, any loss which results from any transactions or decisions made by the Buyer on the basis of the Review supplied by Gasum Portfolio Services Oy. The Buyer shall accept sole responsibility for and Gasum Portfolio Services Oy shall not be liable for the use of the Review by the Buyer (or any user) and the Buyer shall hold Gasum Portfolio Services Oy harmless and fully indemnified against any claims, costs, damages, loss and liabilities arising out of any such use.