

EUA prices €/t 16.4.2021 12:53

| Product | Bid | Ask | Last | Change* |
|---------|-------|-------|-------|----------|
| Spot** | 44.56 | 44.58 | 44.66 | 2.53 % ↑ |
| Dec-21 | 44.65 | 44.66 | 44.66 | 2.33 % ↑ |
| Dec-22 | 45.04 | 45.05 | 45.04 | 2.51 % ↑ |
| Dec-23 | 45.60 | 45.62 | 45.66 | 2.76 % ↑ |

*Change compared to the previous report ** EEX spot

sCER prices €/t 22.3.2021 17:00

| Product | Bid | Ask | Last | Change* |
|---------|------|------|------|---------|
| MAR-21 | 0.00 | 0.00 | 0.48 | 0.00 % |

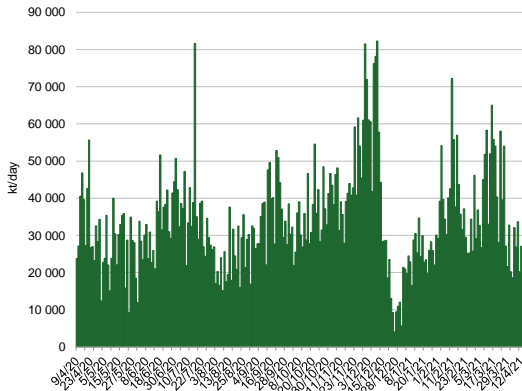
Spread Change*

| Product | Spread | Change* |
|------------------------------|--------|----------|
| EUA Dec21-sCER Dec21 Spread* | 44.18 | 2.35 % ↑ |

*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 16.4.2021 12:53

| Product | Unit | Prices* | Change* |
|------------------------|---------|---------|-----------|
| ENO Q3-2021 | €/MWh | 31.55 | 15.72 % ↑ |
| ENO 2022 | €/MWh | 27.95 | 6.62 % ↑ |
| ENO 2023 | €/MWh | 26.70 | 3.00 % ↑ |
| ENO 2024 | €/MWh | 26.70 | 2.06 % ↑ |
| EEX, Base load Cal-21 | €/MWh | 57.53 | -0.94 % ↓ |
| Brent crude | \$/bbl | 67.18 | 6.36 % ↑ |
| Natural gas UK (Q2-21) | p/therm | 49.89 | 5.15 % ↑ |
| Coal CIF ARA API2 2022 | \$/t | 73.55 | 2.11 % ↑ |

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

Market Analysis

The emission allowance price rose slightly last week. On Tuesday, the emission allowance opened on an upward note and reached a new height at a level of €44.35/t. It opened at this level on Wednesday before a downward market correction on both Wednesday and Thursday. Tuesday's auction result at €0.24 higher than the price on the secondary market brought support to the market and later a weaker energy complex weakened the price. On Friday, support was provided by the oil and gas markets, which were supported by the colder weather picture, and the market saw a slight recovery. On Friday, the emission allowance price closed at a level of €43.64/t, up €1.17 at the weekly level. The current week has seen the emission allowance price reach a new record of €44.69/t. Auction availability has normalized after the public holidays and has stabilized at around 15.1 Mt. For approximately three weeks, volumes traded on ICE have been lower than the 12-month rolling average.

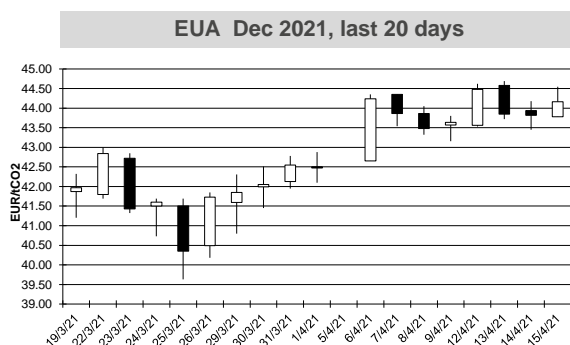
Market View

Recent days have seen a slight rise on the fuel markets, with the oil price in particular rising. Oil prices have been pushed up by growing demand in India and the United States, and both the IEA and OPEC demand forecasts have risen as major economies are expected to begin to recover from the impacts of the corona pandemic in the second half of the year.

The spring weather in Central Europe continues to be cold. Temperatures will rise towards next week but remain below normal. Wind power production is likely to remain weaker than normal and photovoltaic power production will be fairly weak at the beginning of next week, which could continue to bring price support. There are still two weeks to the last deadline at the end of the month for the surrender of emission allowances; it seems that most of the demand from regulated operators for surrenders has been covered. The market positions of investors and funds rose last week and are again at a level of the all-time biggest net position seen in March.

In EU politics, negotiations on the Climate Law between the Council of the European Union and the European Parliament have continued but no agreement has been reached on the emission reduction target for 2030. Parliament has adhered to the 60% reduction target. The view of Luxembourg and most East European countries is that the EU ETS should not be extended to include road transport and the heating of buildings. Brazil, China, India and South Africa have issued a statement objecting to the EU's intention to impose carbon border adjustment mechanisms on the EU's external borders. The EU is scheduled to publish the proposals for a law on these matters in the summer.

The emission allowance price has been rising this week and the gap between the Bollinger bands has shrunk, indicating a possible turn in the trend. During the current week, the emission allowance price rose above the top Bollinger band. Resistance levels for the emission allowance price are the all-time peak of €44.69/t, the peak of €44.35/t and the psychological level of €44/t. Support for the emission allowance price can currently be found at the levels of €43.77/t, €41.50/t, €40/t and €39.63/t. We expect the emission allowance price to continue rising and to trade at €42 - €46/t.



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

CDM pipeline 16.4.2021 12:53

| | 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 |
|------------------|--|
| 22-23 April 2021 | Leaders' Climate Summit hosted by the United States |
| June 2021 | The Commission presents proposals for laws including a reform of emissions trading |

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Sources:

[1 Euractiv news](#)

[2 Inside Climate News](#)

On Agenda: Europe

EU ETS emissions decreased by slightly less than 13% last year. The Sandbag report shows that emissions in industrial sectors such as cement, chemicals and steelmaking fell by 7%, most of which is attributable to lower output as a result of the corona pandemic. This is why industrial emissions can be expected to increase over the coming years. Emissions in heavy industry have hardly fallen since 2012. The reform of EU ETS is the first step in getting industrial emissions to fall and towards Paris Agreement targets. Four changes would make emissions trading more efficient. The first is a lowering of the annual emissions ceiling by a higher factor. Strengthening the Market Stability Reserve would deal with the surplus on the market. Also, the polluter should pay better for emissions generated by the system and the income should be earmarked for renewable energy and energy efficiency projects.¹

On Agenda: Global

President Biden is expected to announce the United States' climate commitments in the coming weeks. During the Obama administration, the commitment was a reduction of 26% - 28% by 2025. Environment movements are putting pressure on Biden for a 50% emission reduction target for 2030. A consortium of hundreds of major companies, including Apple and Microsoft, have also sent a letter to the White House urging the president to adopt a target of 50%. IPCC has estimated that to reach the 2050 carbon neutrality target for net omissions by 2050, global emissions need to be reduced by 45% compared to 2010 levels by 2030.²

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