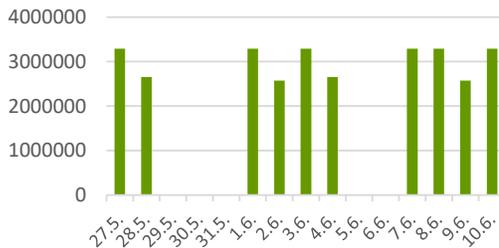


EUA prices €/t 28.5.2021 12:39

Product	Bid	Ask	Last	Change*
Dec-21	51.13	51.19	51.13	-0.31 %
Dec-22	51.68	51.73	51.85	-0.29 %
Dec-23	52.55	52.64	52.60	1.71 %

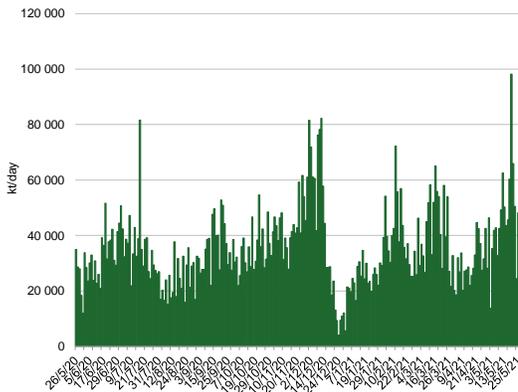
*Change compared to the previous report ** EEX spot

Upcoming auction volumes



Daily traded EUA volume, ICE Futures Europe*

*Daily traded volumes of EUA futures contracts at ICE Futures Europe exchange



Energy prices 28.5.2021 12:39

Product	Unit	Prices*	Change*
ENO Q3-2021	€/MWh	39.20	10.97 %
ENO 2022	€/MWh	33.20	8.43 %
ENO 2023	€/MWh	30.20	5.96 %
ENO 2024	€/MWh	29.92	5.58 %
EEX, Base load Cal-21	€/MWh	64.45	5.54 %
Brent crude	\$/bbl	69.71	4.03 %
Natural gas UK (Q2-21)	p/therm	61.50	10.49 %
Coal CIF ARA API2 2022	\$/t	80.40	4.23 %

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

Market Analysis

Last week saw a downward correction movement in the emission allowance price. On Monday, levels were sought close to all-time peaks, but the market took a downward turn. This fall continued on Tuesday and Wednesday to a level of €48.61/t. The change and fall in wider market sentiment together with the repatriation of profits ahead of the start of the UK ETS market on Wednesday contributed to the fall on the emission market. The market again saw a brisk upward correction on Thursday. The market was volatile on Friday and closed the week close to Thursday's level at €51.75/t, down €4.90 at the weekly level.

Auction availability has been lower than normal this week and next week will again be lower than normal at 11.8 Mt since no auction will be held on Monday, a public holiday in Europe. Last week, volumes traded on ICE were considerably higher than normal but during the current week have fallen to near the average value.

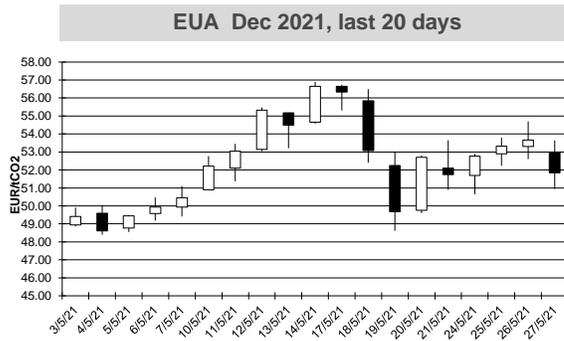
Market View

Since last week's downward correction, the trend also on the fuel market has again turned upwards. The situation is expected to remain tight on the gas market since the amount of LNG coming into Europe is likely to remain less than normal and gas stocks in Europe can be compared to the very tight situation in 2018. For near products, the most efficient coal-fired installations have continued to remain profitable compared to gas-fired ones. Temperatures in Central Europe will again rise to normal levels after the current week. Rising photovoltaic power production offset falling wind power production.

On Thursday last week, the proposal by the Greens' MEPs of a price floor of €50 for the emission allowance lifted the market. Even though this is yet an opinion and other parties besides the Greens are also involved in negotiating Climate Law packages, the approaching presentation of the packages, and associated output could increasingly affect the market.

Trading on UK ETS began last week. The correction movement on the UK ETS has remained minor so far and if UK operators still need to sell EUAs, such sales may be in stages. UK allowance prices have traded at higher prices than EUAs and are close to the level of €58/t.

A technical correction movement was seen in the emission allowance price last week and the technical indicators have fallen and no longer indicate that the product has been overbought. However, the market remains technically strong and has returned to within the trend channel that started at the end of last year. Market volatility and volumes were increasing last week but have decreased this week. Resistance levels to the price can be found at the all-time record of €56.90/t, the psychological level of €55/t and €54.70/t. Support for the emission allowance price can currently be found among others at levels of €50/t and last week's lowest level of €48.61/t as well as at €46.10/t. We expect the emission allowance price to seek direction between €50 - €57/t.



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

On Agenda: Europe

The EU Greens have proposed a floor price of €50 on the European emissions market from 2023 onwards. According to the proposal, the floor price could be raised to €195/t by 2035. The party also made a statement in favor of the market reaching a level of €150 by 2030 and that the market would have regulations limiting the positions of investors on the market. The Greens also proposed ending, in 2023, the free allocations to industrial sectors that have a non-existent or limited risk of carbon leakage and that carbon border tariffs should gradually replace free allocations. The European Commission is updating its EU ETS laws to bring them into line with the new climate targets and the Greens are involved in these negotiations. In July, the Commission will also publish its proposals for carbon border tariffs. The Greens object to including road traffic and buildings in ETS but are in favor of including all aviation and maritime transport emissions in the emissions trading system. ¹

Frans Timmermans, the EU's climate chief, considers reform of the EU ETS to be a cornerstone in the Climate Law package, but the package must support balance, since the interests of the various parties differ from each other. In addition to new sectors such as road and maritime transport, free allocations are also up for consideration. According to Timmermans, EU ETS is by far the clearest instrument to impact behavior to reduce emissions. Carbon pricing is also an important instrument globally in pursuing climate targets and industrialized and emerging countries need to be brought on board to increase their climate work. This is why WTO-compliant carbon border tariffs are also still on the drawing table in the EU even though it would take a couple of years to negotiate carbon border tariffs before implementing them. ²

CDM pipeline 28.5.2021 12:39

	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
July 14, 2021	Presentation of law package of climate law and EU ETS reform
November 1-12, 2021	UN Climate Change Conference COP26, Glasgow

Contacts:

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

Sources:

- [1 Montel news](#)
- [2 Euractiv news](#)

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, party-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.