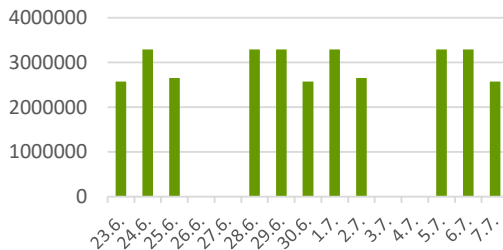


EUA prices €/t 24.6.2021 10:56

Product	Bid	Ask	Last	Change*
Dec-21	55.11	55.13	55.08	7.12 % ↑
Dec-22	55.48	55.52	55.50	7.33 % ↑
Dec-23	56.16	56.21	55.71	7.09 % ↑
UKA DEC-21	54.53	54.99	54.53	7.09 % ↑

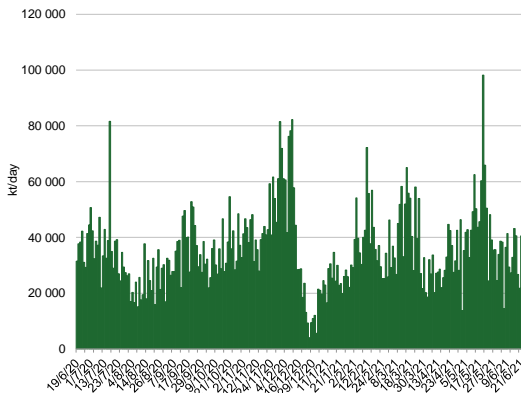
*Change compared to the previous report ** EEX spot

Upcoming auction volumes



Daily traded EUA volume, ICE Futures Europe*

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



Energy prices 24.6.2021 10:56

Product	Unit	Prices*	Change*
ENO Q3-2021	€/MWh	42.40	20.75 % ↑
ENO 2022	€/MWh	31.60	9.18 % ↑
ENO 2023	€/MWh	30.00	4.83 % ↑
ENO 2024	€/MWh	30.00	4.20 % ↑
EEX, Base load Cal-21	€/MWh	69.41	4.83 % ↑
Brent crude	\$/bbl	75.56	1.76 % ↑
Natural gas UK (Q2-21)	p/therm	77.21	11.12 % ↑
Coal CIF ARA API2 2022	\$/t	84.75	2.95 % ↑

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

Market Analysis

The emission allowance market fell slightly last week. On Monday, the power markets rose and the price of gas in particular supported the emission allowance price. Higher than expected German free allowances led to a market fall, which spilled into Tuesday. A weak UKA auction on Wednesday kept the market on a downward track. The technical level of €51/t held on Thursday and the market took an upward turn, which continued on Friday, when the emission allowance closed at a level of €51.90/t, down €0.77 at the weekly level.

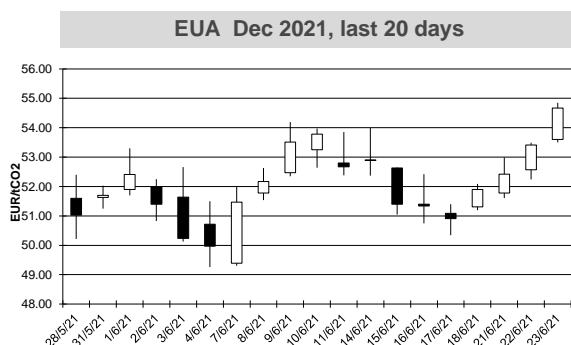
Auction availability has returned to the normal 15.1 Mt and will remain at these levels until halving for the whole of August for the summer holiday season. Last week, EUA auction results were largely slightly weaker than market prices, and hardly affected stock market prices. Volumes traded on ICE have mostly been below normal last week and this.

Market View

The trend on the fuel markets is still upwards. The price of gas broke the €30/MWh barrier and is at historically high levels supported by among other things the high prices of thermal coal and the emission allowance. The weather in Europe during the current week has been normal, but temperatures will again rise to warmer than normal next week, and wind power production will remain weaker than normal. The warm weather will increase the need for cooling, photovoltaic power production will slightly offset the lack of wind power production. The strong energy complex may still bring support also to the emission market. Demand for electricity is also rising in Germany as economic activity grows and increased need has been covered by brown and thermal coal. Also, the downward correction of the stock market driven by fears of inflation and a cut in stimulation has so far remained short lived.

The correlation between the UKA and EUA markets has remained strong after the fall in the UK allowance price last week. The narrower spread between the products could increase the exchange of EUAs for UK emission allowances by UK actors. Prices at last week's UKA auction settled at well below the UKA exchange price and the UK market fell.

The emission allowance price has sought direction at between €48.61 - €54.70/t for more than a month. Technically, the market is strong and support levels have so far held in both directions. Support can currently be found at strong support levels of €51.22/t, €49.26/t and €48.61/t. Resistance levels to the emission allowance price are the all-time peak of €56.90/t as well as the psychological level of €55/t and the earlier peak of €54.70/t and €53.95/t. We expect the emission allowance price to seek direction at between €50 - €55/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 IMF is proposing an international carbon price floor. According to the International Monetary Fund, any realistic chance of reaching mid-century climate goals requires a carbon price floor for the largest emitters. The organization says that emissions trading is one of the most effective instruments to achieve climate actions that would help stop climate warming in 2050. Four fifths of global emissions still remain unpriced, and the global average emissions price is only US\$3 per ton. The average price should be many times more for emissions trading to encourage energy efficiency and sustainable technology innovations. In the IMF's illustrative example, the minimum carbon price would be US\$75 by 2030 for advanced countries, US\$50 for higher-income emerging economies and US\$25 for lower-income emerging countries. ¹

CDM pipeline 24.6.2021 10:56

	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 1, 2021	Next UK ETS auction
July 14, 2021	Presentation of law package of climate law and EU ETS reform

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Sources:

[1 IMF proposal](#)

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