

EUA prices €/t 19.2.2021 11:38

Product	Bid	Ask	Last	Change*
Spot**	38.31	38.34	38.31	-3.73 %
Dec-21	38.36	38.38	38.38	-3.80 %
Dec-22	38.65	38.68	38.69	-3.67 %
Dec-23	39.08	39.12	39.05	-2.20 %

*Change compared to the previous report ** EEX spot

sCER prices €/t 19.2.2021 11:38

Product	Bid	Ask	Last	Change*
Spot**	0.00	0.00	0.00	0.00 %
MAR-21	0.24	0.38	0.38	0.00 %

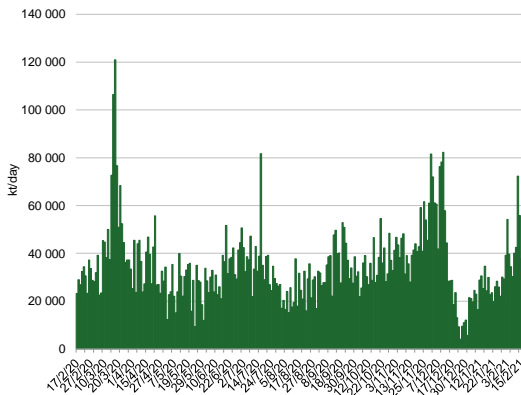
Spread

Product	Spread	Change*
EUA Dec20-sCER Dec20 Spread*	38.31	-3.71 %

*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 19.2.2021 11:38

Product	Unit	Prices*	Change*
ENO Q2-2021	€/MWh	27.55	-10.34 %
ENO 2022	€/MWh	26.95	0.93 %
ENO 2023	€/MWh	26.66	2.48 %
ENO 2024	€/MWh	27.20	3.46 %
EEX, Base load Cal-21	€/MWh	52.50	-2.80 %
Brent crude	\$/bbl	63.02	2.98 %
Natural gas UK (Q2-21)	p/therm	41.23	-6.11 %
Coal CIF ARA API2 2022	\$/t	65.10	-3.69 %

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

Market Analysis

Last week, the emission allowance price reached new peaks. The week started on an upward note and during the day a new peak approaching €39.80/t was reached, supported by cold weather forecasts. However, the change in the forecasts to milder weather as well as a softness in auctions brought the price down on Tuesday. Wednesday saw the price rise despite a softness on the fuel markets. New peaks were tested on Thursday, but the day closed down. On Thursday, news of the EU possibly planning to curb the sudden price rise resulted in falling prices. The fall continued on Friday, until the panic eased, and prices started to rise to close the day at a new peak of €40.02/t, up €1.82 at the weekly level. During the current week, the emission price has started to fall.

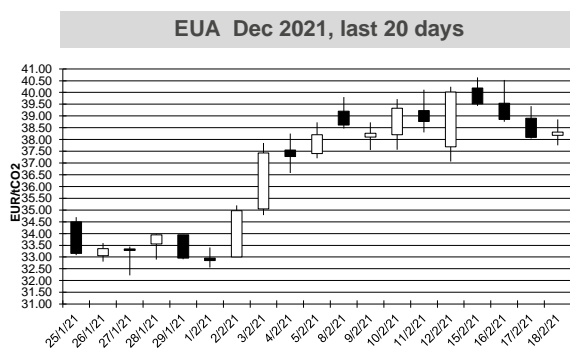
Except for weekday public holidays, when there are no auctions, auction availability will remain fairly steady at about 15 Mt until the beginning of August, when availability will halve. Last week, auctions settled mostly at a weaker price than the secondary market. The trend has continued during the current week, except for Wednesday. Volumes traded on ICE have been increasing in recent weeks.

Market View

The weather picture in Europe is milder than normal during the current week and also during the previous week. Wind power production is slightly weaker than normal. The downward trend in the price of coal has continued and recent days have also seen a softening in the gas price with milder weather conditions, but the weather conditions on the mainland can delay the arrival of LNG cargos from the United States. The price of oil has remained robust, with support from a fall in United States production caused by the winter weather conditions there. Stock markets in the United States are still strong thanks to economic stimulus. A small softening of stock markets in Europe has been seen in recent days.

Last week, rumors that the EU intended to curb the fast price rise on the emissions market lowered the price of emission allowances. Rumors, for which no source was offered, stated that the European Commission was considering limiting the amount of emission allowances that could be held in a registry account. However, the European Securities and Market Authority (ESMA) had no knowledge of a Commission initiative under preparation that would limit EUA prices. The long positions of investors on the market have, however, increased and as emission allowance surrenders approach, support for the market has not vanished anywhere.

During the current week, the emission allowance price has reached a new peak, following which prices have retreated and market volatility has decreased. The emission allowance price has room to fall before reaching the previous base level of €31.29/t. The support levels before this were €37.55/t, €37.06/t as well as €35.42/t. Resistance levels for the emission allowance price are the levels €39.20/t, the psychological €40/t as well as the all-time peak of €40.64. We expect the emission allowance price to trade at between €36-€40/t and the price correction to continue but to be limited to the nearest support levels.



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

On Agenda: Europe

Europe must spend billions to reach its 2030 climate goal. According to a report by consultants Wood Mackenzie, Europe must invest billions in renewable electricity and electricity storage if it wants to reach its 2030 climate goal. According to the report, under its existing plans, Europe would reach 46% of its emission reductions by 2030 if the goal for the year in question is increased to at least 55% of 1990 levels. Reaching the new goal would mean hundreds of billions dollars of investments in carbon emissions capture and storage. A US\$ 65 price tag for each tonne of carbon dioxide would ensure the transition from polluting forms of production. The price is almost 30% higher than the current emission allowance price.¹

On Agenda: Global

OECD Secretary-General Ángel Gurría says that the environment, climate change and nature protection should be defining roles for rich countries now and in the foreseeable future. After coronavirus, the world's greatest goals should be to combat environmental threats. Gurría called for favoring environmental projects that create jobs and to put a hefty price on carbon dioxide. The OECD is an esteemed international institution and a poor report from the OECD can even affect a country's credit rating.²

CDM pipeline	19.2.2021 11:38	
	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
8.-11.3.2021	EU parliament to vote on carbon border adjustment mechanism proposal
March 2021	European Climate Law preparation and decisions

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Sources:

- [1 Carbon Pulse news](#)
- [2 The Guardian news](#)

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