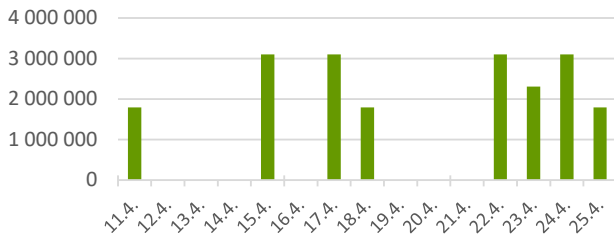


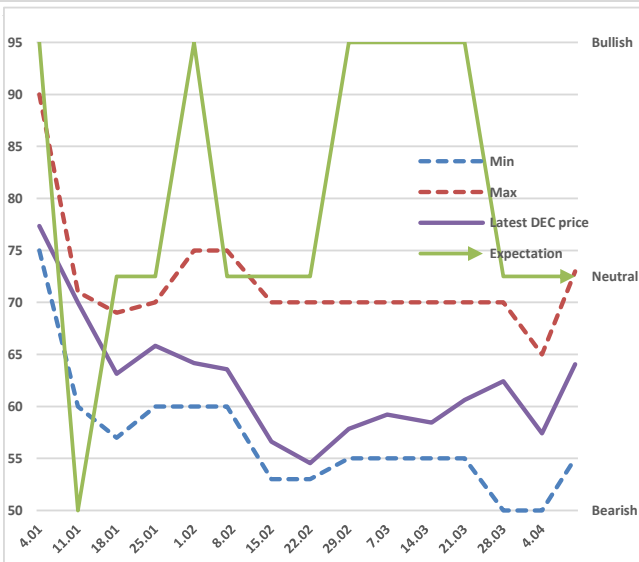
EUA prices €/t	4.4.2024	vs.	11.4.2024	Change*
DEC-2024	58.50	68.03	16.3 %	
DEC-2025	60.79	70.69	16.3 %	
DEC-2026	63.00	73.16	16.1 %	
UKA DEC-24 **	40.48	43.50	7.4 %	

*Change compared to the previous report ** In Euros

Upcoming auction volumes



Expectations on past reports



Energy prices

11.4.2024

Product	Unit	Prices*	Change*
ENO Q3-2024	€/MWh	28.00	8.3 %
ENO 2026	€/MWh	40.80	7.2 %
ENO 2027	€/MWh	40.10	5.5 %
ENO 2028	€/MWh	41.25	3.8 %
EEX, Base load 2026	€/MWh	89.61	13.8 %
Brent crude front month	\$/bbl	89.74	-1.0 %
Natural gas TTF Front month	€/MWh	29.38	12.1 %
Coal CIF ARA API2 2026	\$/t	120.90	5.4 %

*Change compared to the previous report ** Day settlement price

Market Analysis

DEC24 is up compared to a week ago, rising on five of the past six days including Thursday. The price level has risen already within a day from around €58/t in the middle of last week to north of €64/t on several days. The 10-, 20- and 50-day moving exponential averages have turned bullish, the 200-day simple moving averages are falling at the 76.6 level. At the time of writing on Thursday, the RSI has risen to a more neutral bought level of 61. The MACD encountered a bullish signal on Monday and has continued to strengthen on the bullish side. Open interest continued to decline slightly, until yesterday (Wednesday) the most significant daily fall compared to recent times, from about 301 thousand to 291 thousand round lots.

The bid-cover ratio of last week's auctions has risen slightly from an average of 1.71 at the beginning of the year to 1.93, we interpret this as increased interest, possibly after the publishing of emissions figures. For example, the premium was also at its highest yesterday (Wednesday) since late February, by 59 cents on the spot market, which then briefly rose by about €2.6 during a minute. The CoT published on Wednesday and describing the situation on Friday last week showed that after several weeks of decreasing by about 2.5 million tonnes, investment funds had returned to increasing their short-sold position by just shy of a million tonnes, to around 25 million tonnes on the short-sold side.

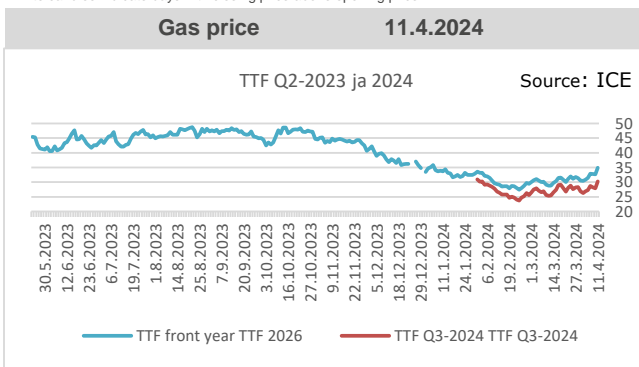
A potentially small recovery in the European economic outlook continued during the week, German industrial production was reported on Monday to have grown stronger than expected in February, on the other hand, order books published on Friday rose weaker than expected, and also on Friday's February resale figures are incongruous in the EU, falling less than expected on an annual basis but stronger than expected at a monthly level. The employment report published in the United States showed a stronger than expected labor market situation. In Finland, industrial output contracted by about 0.3% compared to February, while the forest industry saw slight growth, and PTT estimates that the economic outlook will improve slightly this year and demand will recover next year. US inflation figures released on Wednesday fell short of expectations, possibly slightly cutting expectations of rate cuts, the ECB will make its interest rate decision on Thursday and is widely expected to hold its key interest rates unchanged and possibly begin cutting them in June.

Market view

We think that the development of fuel prices in recent days has been surprisingly strong given the circumstances, and the increase has also, perhaps through this or due to the geopolitical situation, as the risk level rises by cutting short sales, been reflected in emission allowances. Although by last Friday investment funds had unexpectedly returned to increasing their short positions, this change may have been closed this week. We see indications of upward pressure on prices, and a significant short position in the market pushes prices artificially low until it is closed by purchases, we estimate this effect to be at least in the order of €5-10/t, although this may not happen until the end of the year, for example, while we estimate that the risk remains at the wide upper end of the range. We see a bearish risk in gas prices in the near future, gas stocks are likely to start rising permanently for this season after a cooler next week at the latest as the replenishment volume rises. After this, the emission allowance may also collapse as the two correlate quite strongly. We raise the lower end of our expectations back to the €55/t level, the upper end to the €73/t level, however, as a whole our expectation is horizontal or quite cautiously bullish, despite the significant risk of a rise as the weak current and near-term fundamentals balance the market.



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



Events	
Date	Event
June 6-9	Elections for the European Parliament
July 1	Hungary takes rotating presidency of the Council of the European Union

Contacts:
Eirik Ekström

E-mail: firstname.lastname@gasum.com

Links to the news:

- [1 Metsäbiotalouden tiedepaneeli \(in Finnish\)](#)
- [2 Helsingin Sanomat \(in Finnish\)](#)
- [3 Carbon Pulse](#)
- [4 Carbon Pulse](#)
- [5 Carbon Pulse](#)
- [6 BBC](#)

On Agenda: Finland

The report of the Finnish Forest Bioeconomy Science Panel highlights ways to increase the value added generated by the forest sector without increasing harvesting volumes. The means identified are lengthening value chains in Finland, making more efficient use of side streams and, for example, longer downstream processing of pulp, lignin and sawn timber. Examples of end uses would be construction replacing concrete and textile fibers. The manufacture of long-lasting products could bind carbon for a longer period of time, and replacing materials that have a larger carbon footprint in construction could also reduce emissions in this respect. ¹

In their alternative budget and in an update published this week, the Greens propose increasing environmentally harmful taxes to support central government finances and, correspondingly, direct funds to nature conservation, for example. The party would seek income and savings by, for example, abolishing subsidies for wood burning and fuel peat, and by increasing taxes on energy, transport, fuels and mining. ²

On Agenda: Europe

According to a draft seen by Carbon Pulse, the EU would put security and defense rather than climate policy at the top of the strategic agenda for 2024–2029. A strong and secure Europe, a successful and competitive Europe and a Europe of freedom and democracy are listed in three copies. In addition to energy independence and the energy transition, priority areas would include the development of digital and clean technologies, as well as the development of more balanced and less dependent external trade. The previous strategy, adopted in 2019, was to build a climate-neutral, nature-positive, fair and social Europe. Environmental groups have said that the draft is appalling and represents a step backwards in terms of supporting nature and the climate. ³

According to a panel consulted by the European Parliament, there is a significant difference in price and availability between fully clean and conventional marine fuels, and action is needed to narrow this gap. Electrification of maritime transport is considered an unlikely solution, so it is proposed to support other options in order to offset their profitability and improve accessibility. (Lower-emission fuels, such as natural gas or renewable marine fuel, were not mentioned as an alternative in the article, note.) ⁴

International steel companies are expected to respond to the CBAM by reserving special, lower-emission facilities for products exported to the EU. This would allow the payment of carbon tariffs and thus allow operators to compete with production within the EU. The EU steel industry is not convinced of the development and is trying to defend local industry. ⁵

On Agenda: Global

Hydropower dams and reservoirs, traditionally considered sources of clean energy, have been estimated to be significant contributors to methane emissions, thereby contributing to climate change. Many start-ups are working to solve the problem of capturing methane from water, which in turn could be used as fuel instead of being released much more harmfully. ⁶

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.