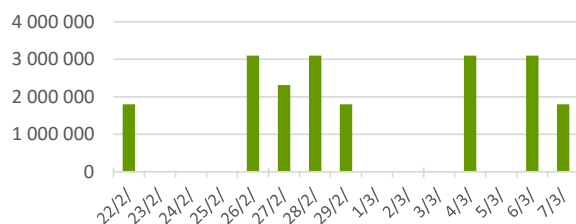


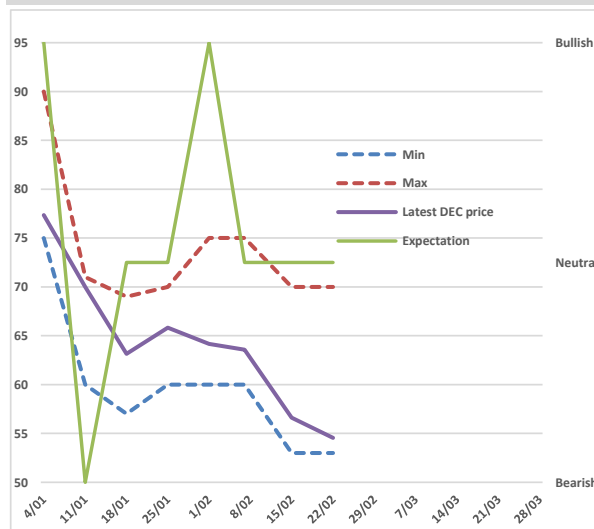
EUA prices €/t	15/02/2024	vs.	22/02/2024	
Product				Change*
DEC-2024	57,91	52,80	-8,8 %	
DEC-2025	60,03	54,82	-8,7 %	
DEC-2026	62,20	56,80	-8,7 %	
UKA DEC-24 **	42,16	39,56	-6,2 %	

\*Change compared to the previous report \*\* In Euros

#### Upcoming auction volumes



#### Expectations on past reports



Energy prices		22/02/2024	
Product	Unit	Prices*	Change*
ENO Q2-2024	€/MWh	30,55	1,3 %
ENO 2026	€/MWh	37,18	0,6 %
ENO 2027	€/MWh	37,00	-0,3 %
ENO 2028	€/MWh	39,60	-0,4 %
EEX, Base load 2026	€/MWh	68,76	-5,6 %
Brent crude front month	\$/bbl	83,67	1,0 %
Natural gas TTF Front month	€/MWh	23,19	-7,1 %
Coal CIF ARA API2 2026	\$/t	91,39	-0,2 %

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

## Market Analysis

The DEC24 product has again continued a bearish trend during the past week, on Tuesday falling to around 51.7, its lowest level since July 26, 2021 but recovered slightly from this during the day. The technical analysis showed no significant signals over the past week, the RSI has fluctuated on both sides of the oversold 30 limit, the MACD continued on the bearish side and there was a slight jump in the open interest level on Tuesday following very low prices, but some of the upturn recovered during Wednesday. In the technical analysis, there are no clear signals of an upturn in the product and during the past week prices have dropped to their lowest since early 2021.

In the Commitment of Traders published on Wednesday and depicting the situation on Friday last week, the short-sold positions of investment funds were reported to have continued falling only slightly after the previous week's strong increase, the funds now have a total of around 35.1 million tonnes of long positions and 72.7 million tonnes of short positions.

The bid-cover ratio in auctions has averaged 1.71 during the start of the year, this week the ratio indicating buying appetite was slightly below this at an average level of 1.59 in Monday's and Tuesday's auctions.

Germany is expected to average 2.5C warmer than normal during the next two weeks, in the longer-term forecast the second half of March is falling to slightly colder than usual. French nuclear power production has fluctuated at around 45 GW and is expected to slowly drop towards around 40 GW at the turn of March-April. Gas stocks in the EU are a couple of percentage points higher than last year, and on Tuesday were at a level of 65%. The gas price has continued on the downward trajectory and, taking into account the emission allowance, gas condensate is still a much cheaper form of production than coal.

Euro area Purchasing Managers' Indices were published yesterday, there were expectations of a slight strengthening of the outlook across the board, however, still remaining below the contracting outlook in the region of 50, services sectors rose to exactly a level of 50, which was stronger than expected and pushed the overall index above expectations, although manufacturing fell below the previous month to 46.1. The official euro area inflation figures for January were published at 12 noon. These showed no surprises compared to the preliminary figures, and in the evening Finnish time, purchasing managers' indices were also published in the United States, where expectations are expected to continue growing above 50 levels, slightly weaker than in January, manufacturing PMI grew more than expected to 51.5 level, whereas services PMI decreased to 51.3, more than expected.

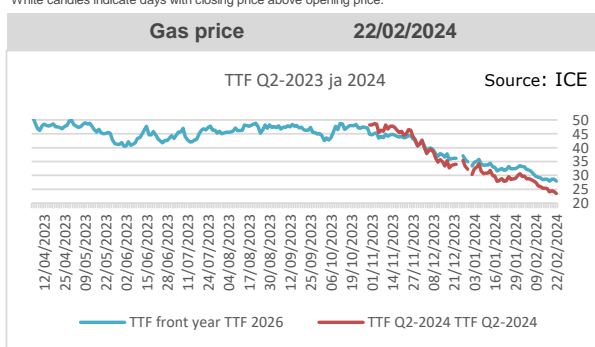
In some estimates, the timing of any additional sales that may be needed to raise funding for REPowerEU projects after the price has fallen is estimated to be after September at the earliest, which could limit downward pressure on purchases made to cover last year's emissions.

## Market view

On the emission allowance market, price levels have continued to pursue new recent lows, and a clear bottom level cannot yet be sought from a short history. According to some estimates, ETS operators have made additional purchases when prices are below €55/t, which may provide some price support, but this is still unlikely to trigger the closure of short-sold positions, which is likely to bring a clear rise to the market at some point. A reversal could be triggered, for example, by a clear improvement in the economic outlook or, for example, a clear upturn in gas prices. We reiterate our expectations from last week, in the range of €53-€70/t and overall, our expectation remains neutral, although the price is at the lower end of the likely range, in the event of a turnaround, the upturn could be rapid.



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



Events	
Date	Event
March 13	Maturity date of options for the current quarter
June 6-9	Elections for the European Parliament

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**Links to the news:**

[1 YLE \(in Finnish\)](#)

[2 YLE \(in Finnish\)](#)

[3 Montel](#)

[4 Reuters](#)

[5 Bloomberg](#)

[6 Reuters](#)

## On Agenda: Finland

An essential difference between the state-funded Metka scheme intended to support forest owners in various management measures and the earlier Kemera support scheme which it replaces, is the minimum area of a single area for seedling stand management and young forest management, which decreased from one hectare to 0.1 hectares, which also enables support for small-scale clear felling, which is used as a method of continuous growth. For the time being, however, small-scale clear felling is of moderate significance, but its use may increase, for example, in forest management that ensures continuous cover of peatland forests.<sup>1</sup>

Oulun Energia and P2X Solutions are planning a new hydrogen plant in the Laanila industrial area. There are also plans to store hydrogen and carbon dioxide, as well as further refining hydrogen into methane or methanol, for example.<sup>2</sup>

## On Agenda: Europe

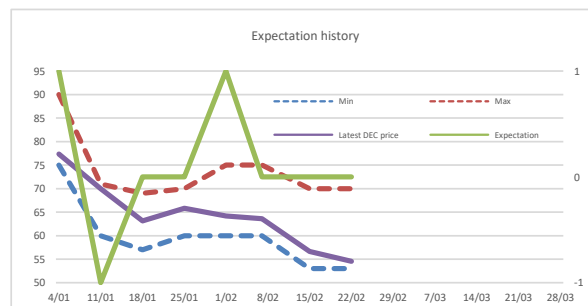
The European Commission is reviewing trading regulations for emission allowances and related derivative products. The first report of the assessment will be published at the end of July 2024 and rules on position limits in allowances will be established one year later. These reviews are part of a response to the measures agreed in the energy crisis to prevent external shocks.<sup>3</sup>

On Tuesday, the European Parliament and EU Member States reached agreement on setting air quality standards for the European Union. By 2030, the new rules will bring limits closer to the recommendations of the World Health Organization (WHO). The decision still needs to be formally adopted by Parliament and the Council, after which the implementation of the national rules will begin.<sup>4</sup>

## On Agenda: Global

The Inflation Reduction Act, launched in the United States, was intended to support US electric vehicle supply chains, such as Tesla. However, the complexity of global supply chains clearly poses challenges in compliance with the rules, and ultimately China is a major supplier of many raw materials – and the IRA is trying to explicitly avoid dependence on China.<sup>5</sup>

Xinjiang in China has recently seen its harshest cold spell in more than 60 years, with temperatures dropping to below -52.3C. Several parts of China have experienced remarkably cold weather recently.<sup>6</sup>



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