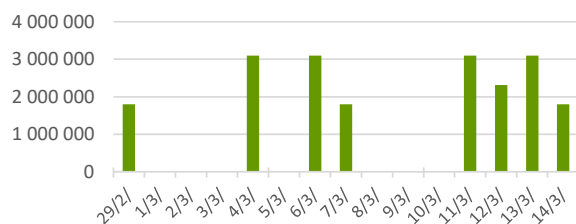


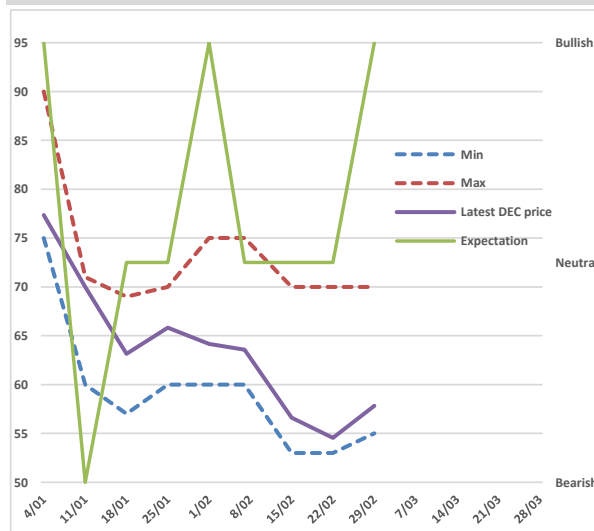
EUA prices €/t	22/02/2024	vs.	29/02/2024
Product			Change*
DEC-2024	52,80	56,00	6,1 %
DEC-2025	54,82	58,15	6,1 %
DEC-2026	56,80	60,26	6,1 %
UKA DEC-24 **	39,56	41,34	4,5 %

*Change compared to the previous report ** In Euros

Upcoming auction volumes



Expectations on past reports



Energy prices

29/02/2024

Product	Unit	Prices*	Change*
ENO Q2-2024	€/MWh	37,00	21,1 %
ENO 2026	€/MWh	39,25	5,6 %
ENO 2027	€/MWh	37,75	2,0 %
ENO 2028	€/MWh	40,20	1,5 %
EEX, Base load 2026	€/MWh	74,54	8,4 %
Brent crude front month	\$/bbl	83,62	-0,1 %
Natural gas TTF Front month	€/MWh	24,87	7,2 %
Coal CIF ARA API2 2026	\$/t	101,70	11,3 %

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

Market Analysis

The DEC24 product took a slightly upward turn along with the rise in the gas price this week, the product reached its lowest level at €51.08/t on Friday, with this week's highest level seen on Wednesday at €58.88/t at the time of writing. The technical analysis saw the price cross above the 10-day moving exponential average on Tuesday, reversing to a rise, on Thursday the price briefly crossed the 20-day equivalent on opening but has since dropped below this during the course of the day. The 50-day moving exponential average continues to retreat at a level of around €63/t. The RSI is neutral around at the 44 level, with the MACD giving a buy signal on Tuesday, strengthening slightly on the bullish side since last Friday. Open interest has decreased slightly this week, especially yesterday (Wednesday), but the change as a whole is still small.

The CoT published on Wednesday shows that investment funds had further increased their short positions, again to a new record level. Also, operators covered by emissions trading had also slightly increased their short sold positions. We consider it possible that the fall in open interest in the past few days may mean the closure of some short-sold positions. The bid-cover ratio of auctions in the early part of the year continued at a level of 1.71, averaging 1.68 over the past two weeks and the lowest bid was below €50/t on a number of days.

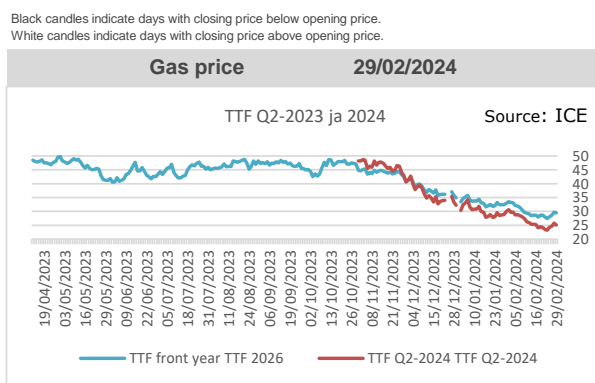
The February sentiment figures for the euro area published yesterday showed a further fall, even though there were expectations of a rise in respect of manufacturing and services alike. Consumer confidence strengthened slightly as expected. Finland's GDP for Q4 was published today (Thursday) and fell short of expectations, falling 0.7% quarter on quarter and 1.8% on the year. Thursday evening, Finnish time, the PCE inflation reading monitored by the US Federal Reserve Bank will be published, and a slight slowdown in inflation is expected. Oil inventory data released yesterday from the United States was mixed, with gasoline inventories falling stronger than expected, crude oil inventories growing stronger than expected.

Weather forecasts have seen a slight cooling in recent days, and as a result, temperatures both in the Nordic countries and, for example, in Germany are expected to remain cooler than usual from mid-March to mid-April, with the initial period being warmer than usual. Wind power production in Germany is expected to remain rather weak in the next few days, but milder than usual weather will limit consumption. Gas storage facilities in the EU remain at a fairly high level of 63.18% in Tuesday's update. In the early part of the year, net consumption has reached new minimum levels in the reference period since 2011, and for February consumption will be lower than last year, for the beginning of January consumption clearly exceeded last year's consumption in colder than usual weather.

The 2025 gas price fell from the price levels of approximately €47/MWh in late October to slightly north of €30/MWh in January, and then even to below €28/MWh in February. However, prices may have seen a slight upward turn this week, rising from last Friday's lows of around €27/MWh to around €30/MWh. Measured by the price of emission allowances, switching to coal during Q2-2024, for example, would only take place once the emission allowance price falls to around €30/t, and also for the whole of 2025, gas condensate will also be much cheaper than coal condensate, the difference, however, being about 50% narrower.

Market view

We consider it possible that the small rise will continue and slightly raise our expectations of the lower end of the range, which is now €55-€70/t and raise our outlook to bullish. If a closing of short positions begins, the rise could be strong and rapid.



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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- [1 YLE \(in Finnish\)](#)
- [2 Helsingin Sanomat \(in Finnish\)](#)
- [3 Carbon Pulse](#)
- [4 Carbon Pulse](#)
- [5 Carbon Pulse](#)
- [6 The Guardian](#)

On Agenda: Finland

In Natural Resources Institute Finland's latest estimate, Finland's carbon neutrality target for 2035 is clearly slipping away. In the updated calculation, the land use sector will remain a source of emissions even in 2035, and emissions may even increase from the current level. The calculation has now also sought to take into account the forest industry's future need for wood. In addition to restrictions on felling, significant measures are estimated to be the removal of cultivated peatland from cultivation and the restoration of peatland forests. ¹

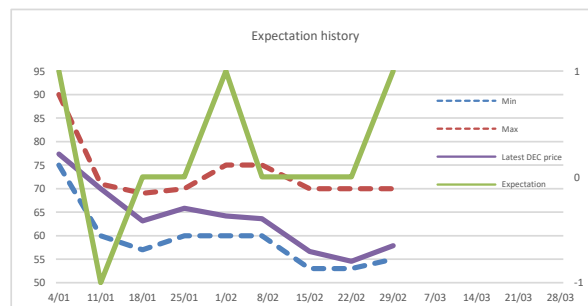
On Agenda: Europe

On Tuesday, the European Parliament voted to adopt the nature restoration regulation. The proposal deals with, for example, the restoration measures required in the EU area, to restore a minimum of 20% of the EU's land and sea areas by 2030, there are several quantified targets, and the countries have some decision-making power. Each country must now transpose the regulation into its own legislation. In addition to land, the regulation provides for a target to restore at least 25,000 km of rivers into free-flowing rivers. ^{2, 3, 4}

The sales rate of heat pumps in the EU slowed last year compared to 2022. However, the trend was upward in countries such as Belgium, Norway and Germany. The slowing sales rate threatens the EU's 2030 targets as part of REPowerEU projects. ⁵

On Agenda: Global

Of the 20 cities surveyed in a study, London is the city with the most impact on aviation emissions. Dubai had the highest total emissions at a single airport. The 20 largest airports studied together emitted as much carbon dioxide as around 58 coal-fired power plants. In addition, according to the think tank that conducted the study, pollution levels around airports are increasing, but there is no desire to tackle the problem. ⁶



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