



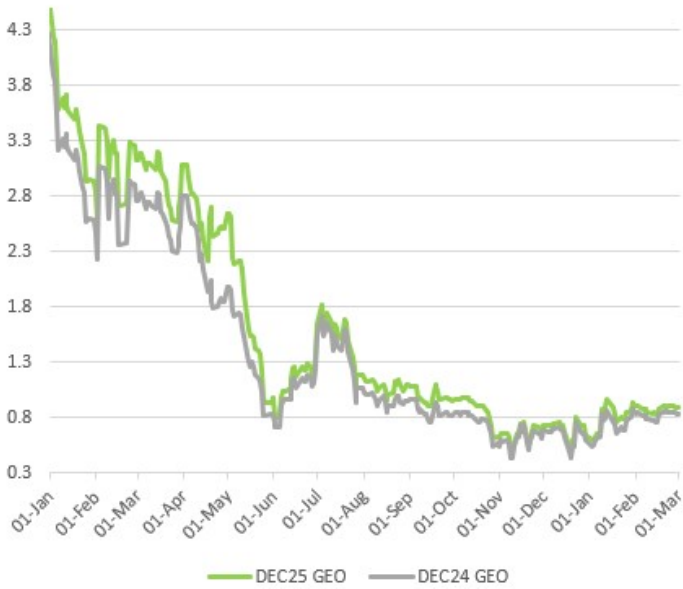
# Emissions Weekly Report

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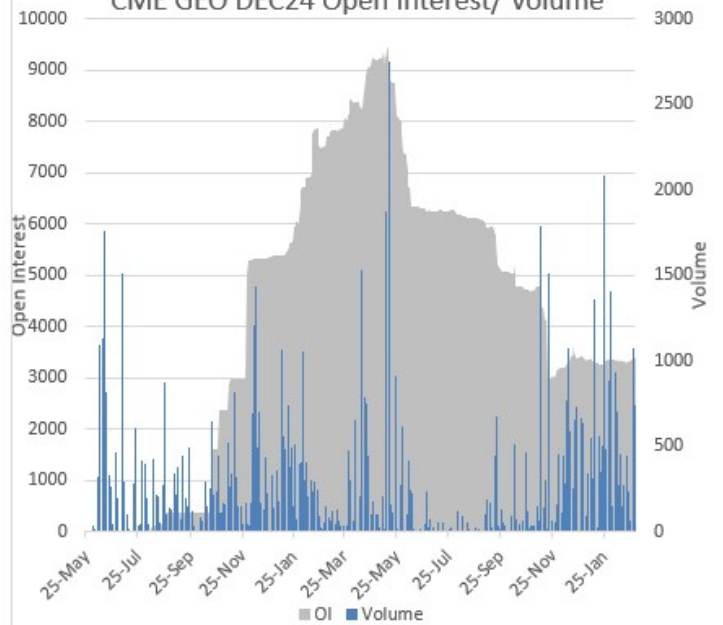
**04/03/2024**

Trading in the CME Group's CBL emissions complex was vibrant last week with more than 5.5 million tons transacted. Price movement was also muted in the futures, with the December CBL N-GEO contract closing at \$1.53, up 1.3%, and the CBL GEO futures softening by 1.2% to close at \$0.83. The CBL C-GEO December contract closed unchanged week-over-week, at \$0.65.

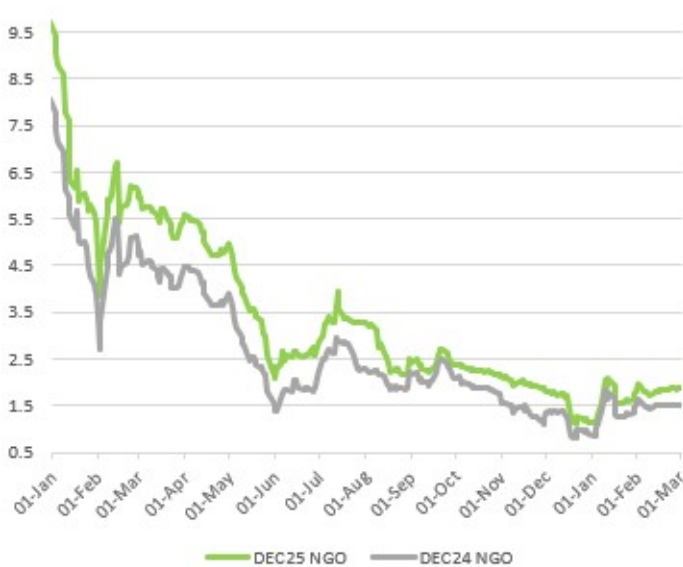
CME GEO DEC24/ DEC25 Futures



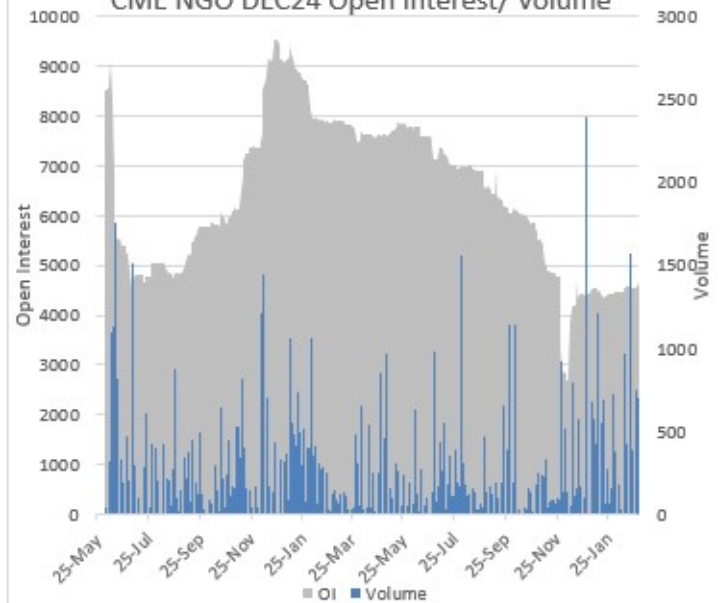
CME GEO DEC24 Open Interest/ Volume



CME NGO DEC24 / DEC25 Futures

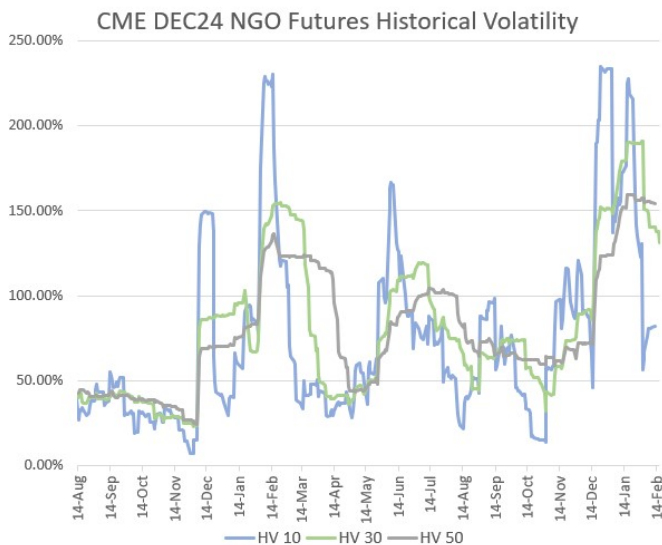


CME NGO DEC24 Open Interest/ Volume



## CME NGO Historical Volatility

10 day volatility at 40.9%. 30 day volatility flat down to 130% and 50 day volatility at 151%.  
 NGO Dec24 contract is up \$0.02 for the week, settling at \$1.53



Source: Bloomberg

## Block Trades on CME (w/c 1st Mar)

### ACCU & NZU Market

(Reputex): Prices and activity dipped across the ACCU market last week after a relatively consistent month of trading. The brokered market continues to focus on cheapest to deliver avoidance projects, with Generic (No-AD) continuing its recent dominance of weekly activity. Declines in Generic (No-AD) pricing outpaced Human-Induced Regeneration (HIR), compressing the Generic/HIR further from last week. Meanwhile, the landscape remained quiet across more illiquid methods as developers await further issuances.

ACCU IMPLIED VOLATILITY SURFACE					
IO	10% Put	25% Put	ATM	25% Call	10% Call
Sep-24	49.00	46.50	42.00	44.00	45.00
Dec-24	47.00	44.50	40.00	42.00	44.50
Mar-25	45.00	42.50	39.00	41.00	42.50
Jun-25	43.00	40.50	38.00	39.00	40.50
Sep-25	41.00	38.50	36.00	37.00	38.50
Dec-25	39.00	36.50	34.00	35.00	36.50

NZU IMPLIED VOLATILITY SURFACE					
IO	10% Put	25% Put	ATM	25% Call	10% Call
Apr-24	34.00	33.50	33.00	34.50	35.50
Dec-24	32.00	31.50	31.00	32.50	33.50
Apr-25	30.00	29.50	29.00	30.50	31.50
Dec-25	29.00	28.50	28.00	29.50	30.50
Apr-26	28.00	27.50	27.00	28.50	29.50
Dec-26	27.00	26.50	26.00	29.25	29.50

# Compliance Markets

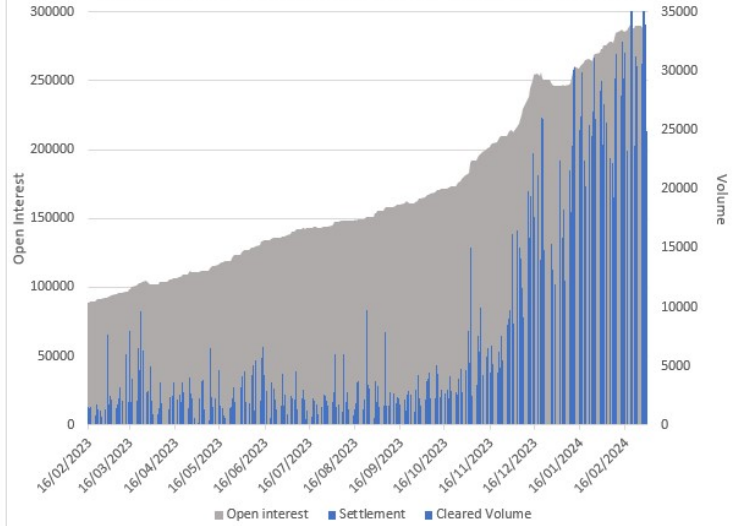
## EUAs

European carbon prices bounced off a key support level on Friday, encouraging short-positioned traders to cover ahead of the weekend, as the market posted its first weekly gain of 2024. Dec-24 EUAs made an early attempt to climb, rising from the opening to reach a session high of €56.85 on ICE Endex, before weakening ahead of the weekly German auction. The benchmark contract settled 0.7% higher on the day at €56.37 – a gain of 8% on the week and the first five-day increase since the last equivalent period of 2023. Volume in the front-December totalled nearly 25 Mt, with other contracts adding a combined 10 Mt. Once again the correlation between carbon and natural gas was close, with EUAs tracking the fluctuations in TTF prices throughout the day. The 10-day correlation between front-month TTF and EUAs remains around 0.95.

ICE EUA DEC24 Futures



ICE EUA DEC24 Futures Open Interest/ Volume



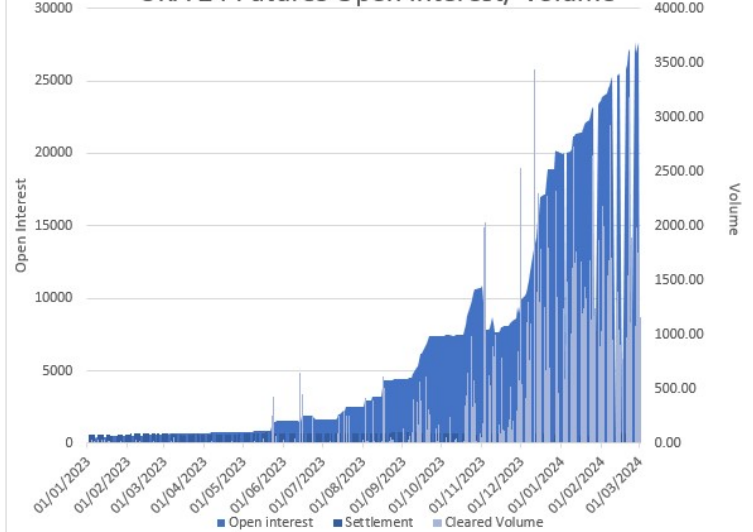
## UK ETS

UK Allowance prices ended the week almost unchanged from last Friday, slipping from an early high of £36.04 to a low of £35.01 by mid-morning. The benchmark British contract traded at around £35.25 for most of the afternoon, before dropping slightly as the close approached. Dec-24 UKAs settled 0.9% lower on the day at £35.11 on ICE Futures Europe, a weekly drop of just 1p. Volume totalled 1.2 Mt. The UKA-EUA spread widened by around €0.70 to -€15.38, a drop of €4.00 from a week earlier.

UKA DEC24 Futures



UKA 24 Futures Open Interest/ Volume



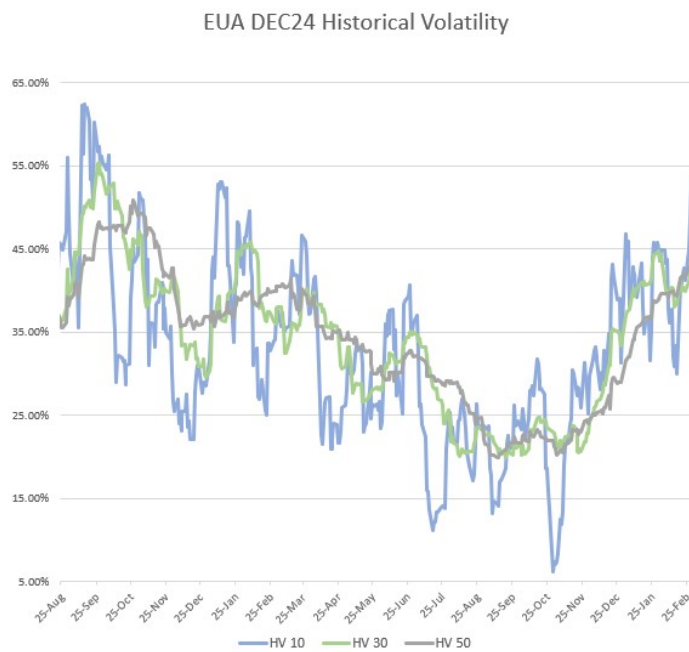
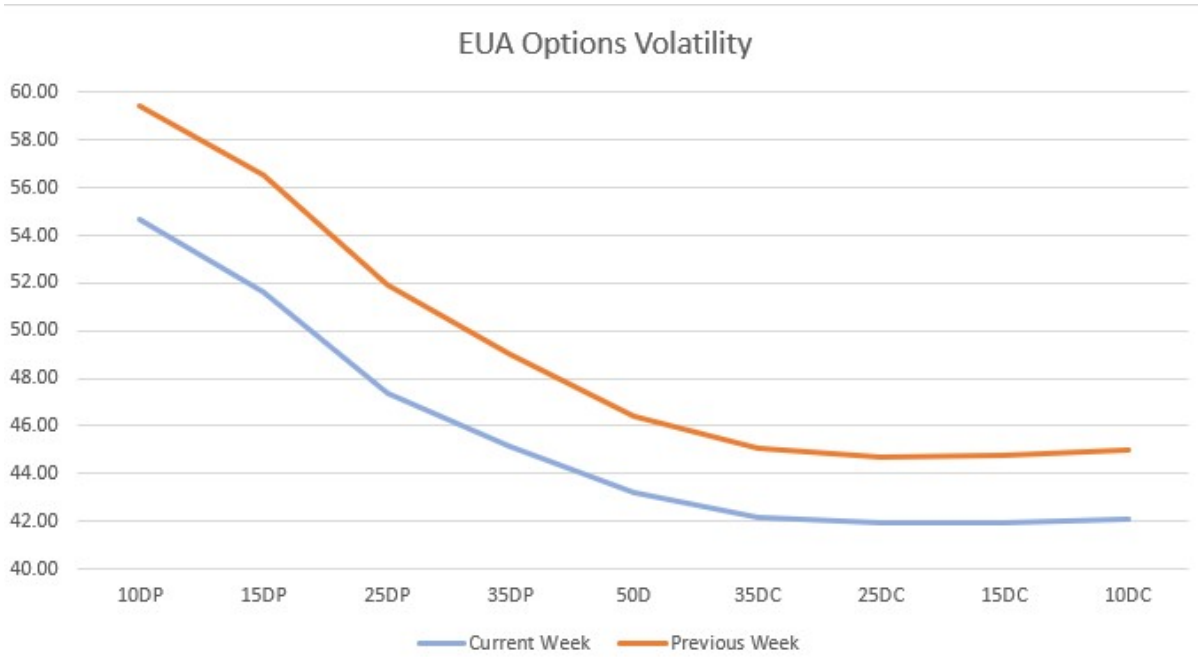
Source: Refinitiv

# EUA Options Market

Open Interest on the Mar24 50Put stands at 8416kt and for the 55Put at 5020kt. On the Calls, Open interest on the 80C is at 9749kt and 90C is at 10555kt.

Source: Bloomberg

Volatility Surface: 04/03/2024									
TERM	10DP	15DP	25DP	35DP	50D	35DC	25DC	15DC	10DC
Current Week	54.67	51.59	47.40	45.11	43.17	42.17	41.95	41.95	42.11
WoW Change	-4.74	-4.97	-4.48	-3.88	-3.26	-2.86	-2.71	-2.81	-2.88
Previous Week	59.41	56.56	51.88	48.99	46.43	45.03	44.66	44.76	44.99



Source: Refinitiv

## Market News

(CarbonPulse): NZUs on the spot market finished the week trading at NZ\$69.25 (\$42.23), according to Jarden's CommTrade platform, down 4.5% week-on-week, but up slightly compared to the NZ\$67.50 units was trading at this time in January. Only 20,000 NZUs changed hands on the platform Friday, down considerably compared to the 120,000 units that were traded on Tuesday earlier this week. The NZU price appears to have lost the steam it was gaining at the end of last month when prices reached a 2024 high of NZ\$73.85. Some 3.5 mln NZUs will be up for grabs at the upcoming auction, not including the units available in the cost containment reserve.

(CarbonPulse): Around 17.84 mln credits were retired from Verra, Gold Standard, ACR, and CAR last month, down from the 20.34 mln retired in January. But on a daily basis, the level of retirements was 615,213 in the 29-day month, about 41,000 lower than the 656,147 a day seen in the 31 days of January. Moreover, the daily average for the first two months of the year, just over 636,000 credits a day, far outstrips the daily average of the last three years: about 429,000 in 2023, 421,500 a day in 2022, and 441,000 in 2021. At current rates, the number of retirements from the four big standard bodies will reach almost 233 mln this year, which would be the largest annual total to date by a wide margin, up from the 161 mln retired in 2021. Verra accounted for the lion's share of the retirements last month, with around 13 mln credits, followed by Gold Standard with 3.4 mln, and then ACR with 966,000, and CAR with 436,000.

(CarbonPulse): The federal government is seeking feedback on the design of its Capacity Investment Scheme, which aims to rapidly boost the deployment of large-scale renewable energy and storage, with 10 GW expected to be put out for tender this year. The Labor government announced it is expanding the CIS in a bid to meet its target of achieving 82% renewables by 2030 and replace Australia's ageing coal-fired power station fleet as it continues to retire. It will secure 23 GW of new wind and solar generation capacity and 9 GW of storage by 2030 through a series of competitive tenders held every six months to 2026-27, underwritten by the government. The combined 32 GW of new capacity, expected to be operational by 2030, represents some A\$67 billion of investment, according to the government.

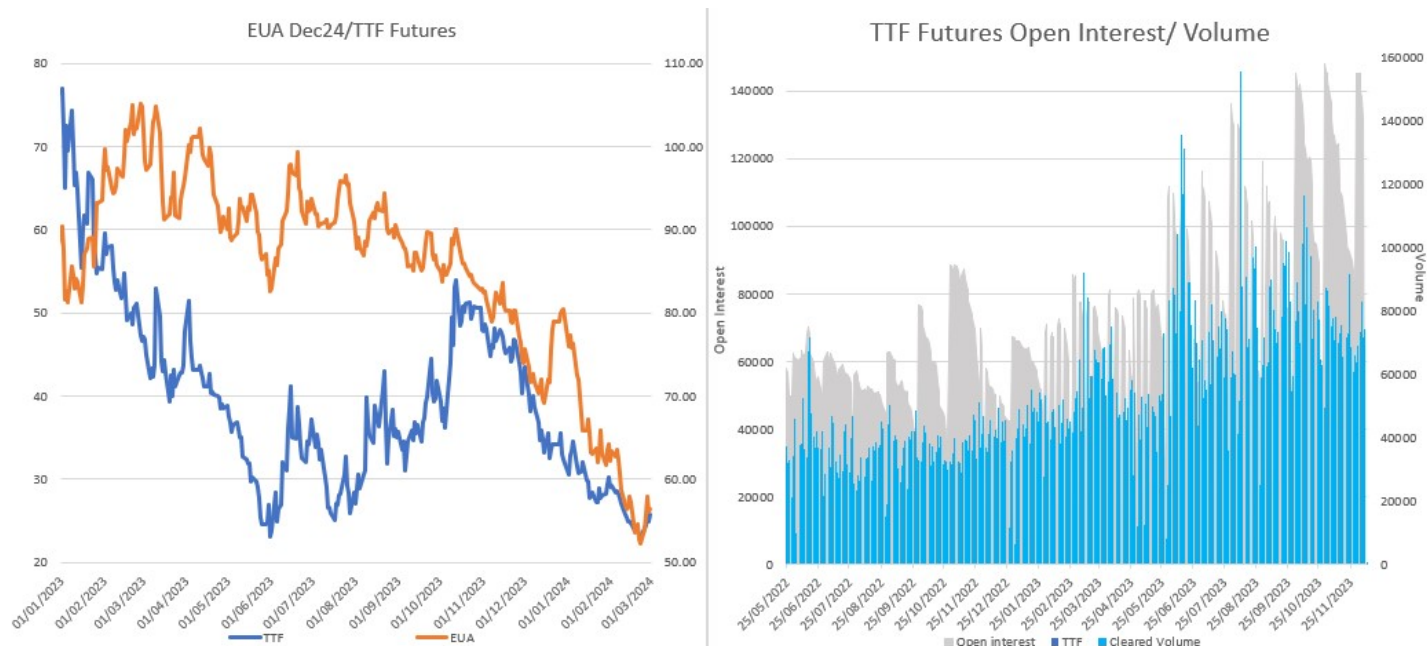
(CarbonPulse): International Airlines Group (IAG) has agreed to buy almost a billion litres of sustainable aviation fuel from a California-based producer, bringing the British Airways owner a third of the way to reaching its 2030 SAF goal. The deal announced Tuesday with Twelve, which produces power-to-liquid fuels (e-SAF), will see IAG purchase 785,000 tonnes or 984 million litres of the synthetic fuel over a 14-year contract. The terms of the agreement were not disclosed. Berkeley-headquartered Twelve produces advanced e-SAF, derived from CO<sub>2</sub>, water, and renewable energy.

Source: CarbonPulse



## Indicated Markets

Above-normal temperatures in most European countries have helped limit the upside potential in gas markets. April TTF natural gas was firmer in the morning, reaching a high of €25.970/MWh early in the day, before falling by €1/MWh at one point before midday. The afternoon saw prices recover, briefly testing the high a couple of times before settling 4.2% up at €25.809/MWh – a weekly gain of 13%. Cal-25 German baseload power edged slowly higher throughout the day, adding 1.4% to stand at €75.55/MWh on EEX at the close. Cal-25 API2 coal last traded 2% higher on the day at \$103.75/tonne on ICE, a weekly gain of 14%.



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