



Emissions Weekly Report

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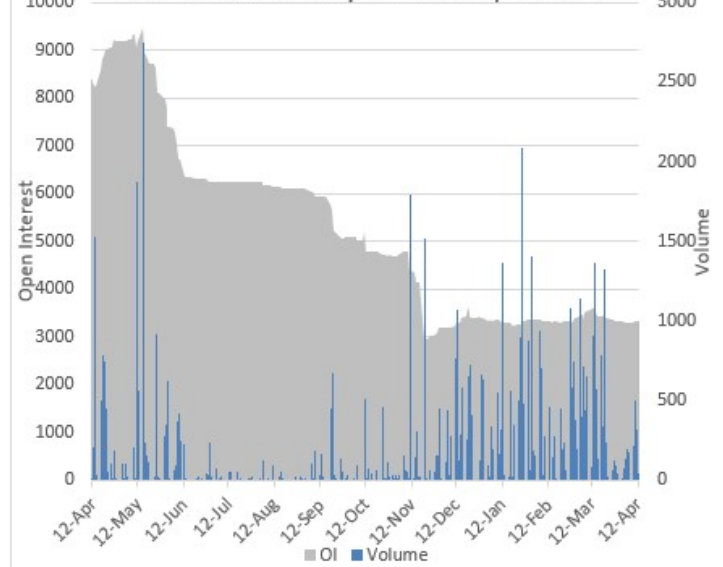
16/04/2024

(FISe View): Prices were little changed last week on low volume, but the SBTi sudden change of policy to allow qualifying voluntary carbon credits to be used to offset some corporate emissions could inject a surge of investment and interest in the voluntary market.

CME GEO DEC24/ DEC25 Futures



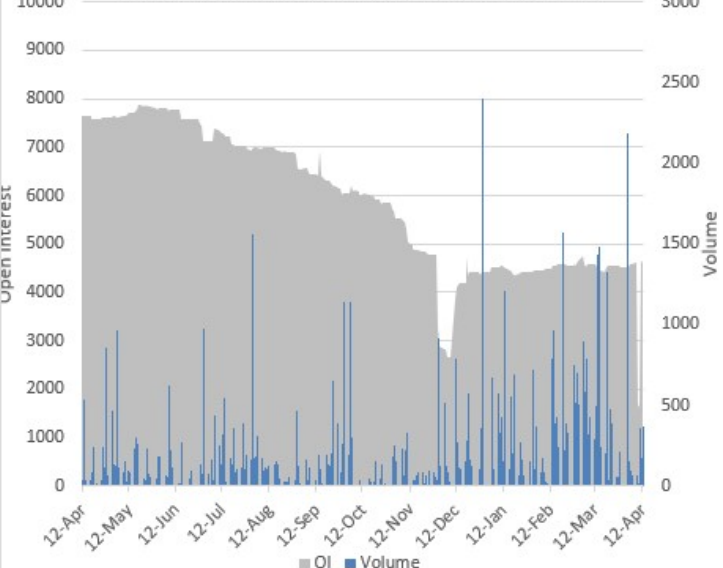
CME GEO DEC24 Open Interest/ Volume



CME NGO DEC24 / DEC25 Futures



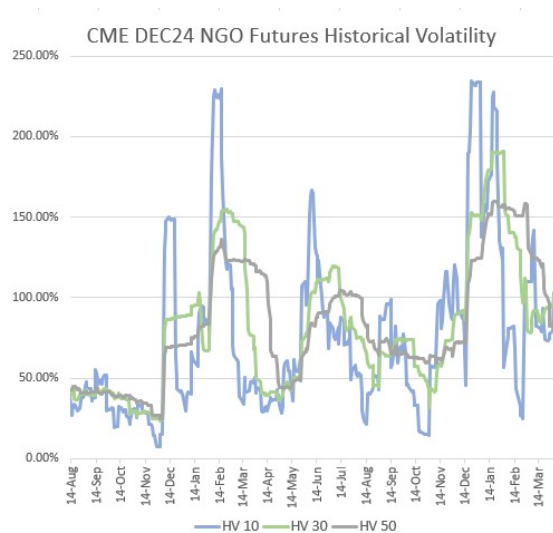
CME NGO DEC24 Open Interest/ Volume



source: Refinitiv

CME NGO Historical Volatility

10 day volatility at 106%. 30 day volatility up to 107% from 93% and 50 day volatility at 91%. GO Dec24 contract is up \$0.30 for the week, settling at \$1.56



Source: Bloomberg

ACCU & NZU Market

(Reputex): Monthly traded volumes are on track to surpass April-23 as momentum carries through from a busy March. Following a brief period of stability, last week saw Generic prices reach their lowest point since December 2023 after a heavy sell-off, while HIR prices fell to a 9-month low. Notably, the recent decline in HIR prices has seen the proportion of HIR volumes increase to over 30% of the spot traded market this month. Despite this slide, the market for HIR and Generics closed in alignment throughout most of the week, with recent convergence continuing to hold. Meanwhile, DCCEEW's pipeline remains busy as the timeline for new methodologies becomes firmer.

LGC IMPLIED VOLATILITY SURFACE					
IO	10% Put	25% Put	ATM	25% Call	10% Call
Sep-24	40.75	40.50	40.00	41.00	42.00
Dec-24	39.75	39.50	39.00	40.00	41.00
Mar-25	38.75	38.50	38.00	39.00	40.00
Jun-25	37.75	37.50	37.00	38.00	39.00
Sep-25	36.75	36.50	36.00	37.00	38.00
Dec-25	36.25	36.00	35.50	36.00	36.50

ACCU IMPLIED VOLATILITY SURFACE					
IO	10% Put	25% Put	ATM	25% Call	10% Call
Sep-24	36.50	36.00	35.00	36.00	37.00
Dec-24	35.50	35.00	34.00	35.00	36.00
Mar-25	34.50	34.00	33.00	34.00	35.00
Jun-25	33.50	33.00	32.00	33.00	34.00
Sep-25	32.50	32.00	31.00	32.00	33.00
Dec-25	32.00	31.50	30.50	31.50	32.50

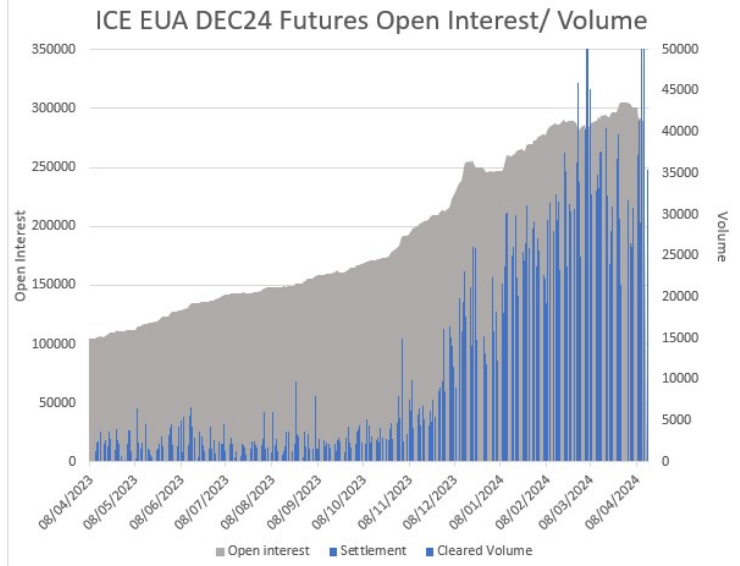
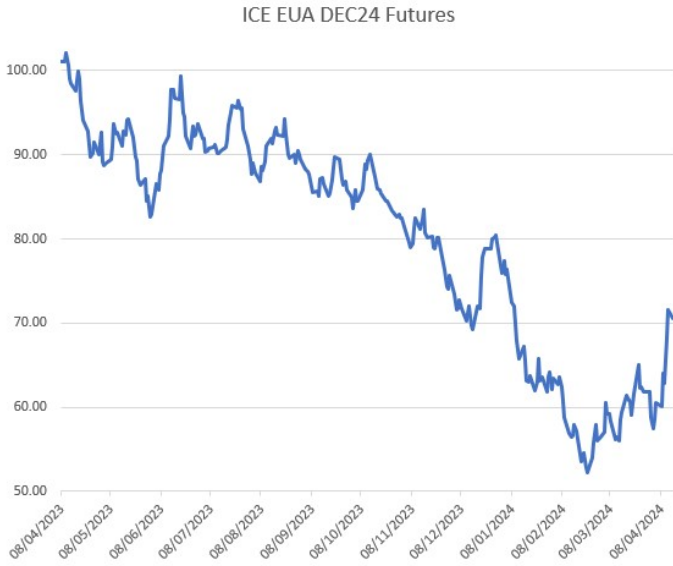
NZU IMPLIED VOLATILITY SURFACE					
IO	10% Put	25% Put	ATM	25% Call	10% Call
Apr-24	30.60	30.50	30.25	30.50	30.75
Dec-24	30.35	30.25	30.00	30.25	30.50
Apr-25	30.10	30.00	29.75	30.00	30.25
Dec-25	29.85	29.75	29.50	29.75	30.00
Apr-26	29.60	29.50	29.25	29.50	29.75
Dec-26	29.35	29.25	29.00	29.25	29.50

Freight Investor Services 2023.

Compliance Markets

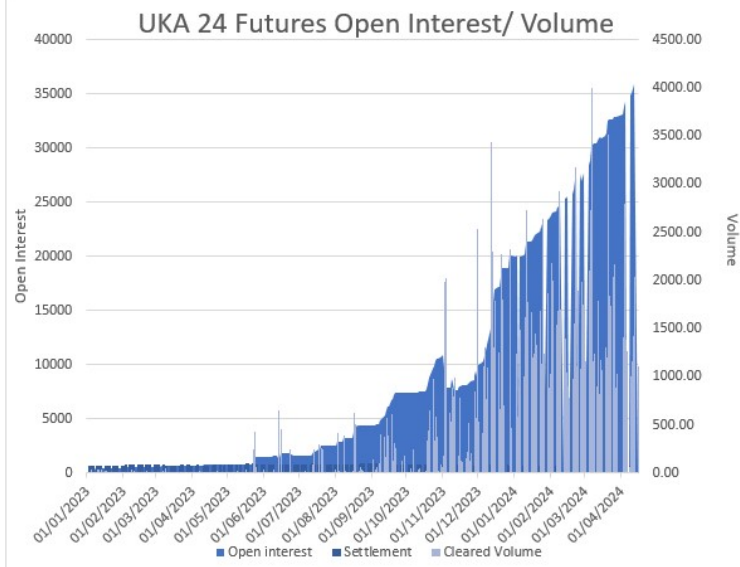
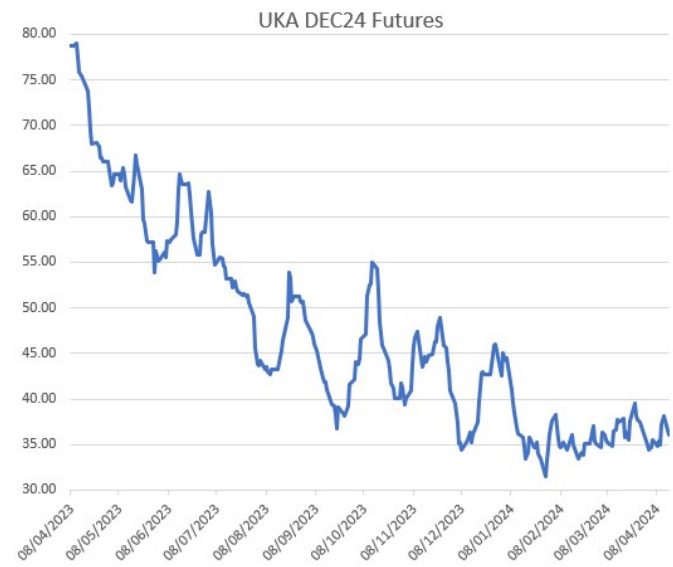
EUAs

Dec-24 EUAs started the day dropping from an opening high of €71.64 to the session low of €69.10 on ICE Endex within 45 minutes of the start of trading. The dive in carbon prices matched a drop in natural gas, which fell from €31.400/MWh to a low of €29.755/MWh over the same period, and German cal-25 power, which dropped from €93.99/MWh to €91.30/MWh at the same time. Front-December EUA levels stabilised at between €69.60-€70.60 for the rest of the morning in comparatively light trading volume, after Friday's session saw more than 52 Mt change hands. The front-December contract settled at €70.55, a drop of €1.00, or 1.4%, from Friday's settlement. Volume in the benchmark totalled more than 35 Mt, while other contracts contributed a further 12 Mt.



UK ETS

Dec-24 UK Allowances managed to avoid the opening sharp adjustment in prices, but were steadily weaker across the day. The front -December contract steadily declined from an early high of £37.40 on ICE Futures Europe to briefly reach a low of £35.38. The market quickly took back this steep plunge to trade from around £36.50 down to £35.78 shortly after the settlement window. The benchmark contract settled 5.5% down at £36.04, with volume totalling 1.1 Mt. The UKA-EUA spread widened for an eighth day to -€28.33



Source: Refinitiv

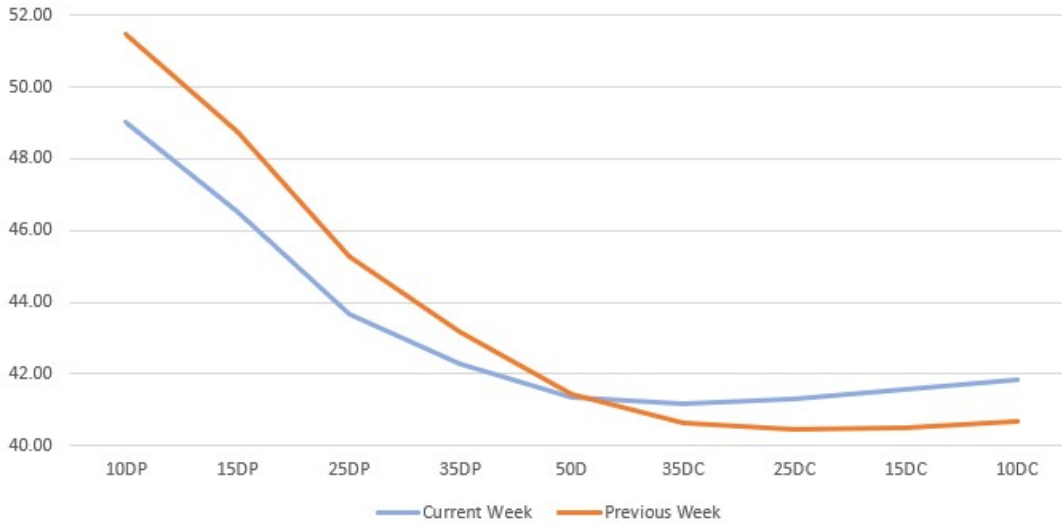
EUA Options Market

10DP Vol down 4.82% and 10DC Vol up 2.83%

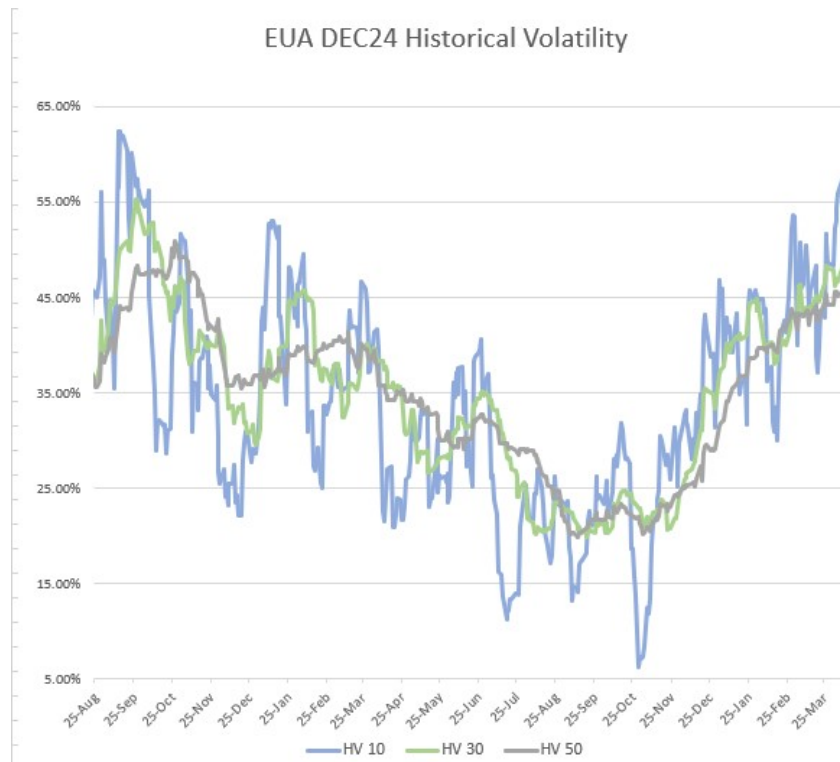
Source: Bloomberg

Volatility Surface: 15/04/2024									
TERM	10DP	15DP	25DP	35DP	50D	35DC	25DC	15DC	10DC
Current Week	49.01	46.52	43.68	42.26	41.35	41.17	41.29	41.58	41.84
WoW Change	-2.48	-2.25	-1.59	-0.93	-0.09	0.54	0.84	1.07	1.15
Previous Week	51.49	48.77	45.27	43.19	41.44	40.63	40.45	40.51	40.69

EUA Options Volatility



EUA DEC24 Historical Volatility



Source: Refinitiv

Market News

(CarbonPulse): Singapore and New Zealand have agreed to work together on carbon markets as one of several green economy measures, according to an agreement signed between the two countries Monday. New Zealand Prime Minister Christopher Luxon met his Singaporean counterpart Lee Hsien Loong this week as part of a business and diplomatic mission to the country, bringing key ministers and various corporate representatives along for the ride. “We are pursuing concrete cooperation under the ‘Climate Change and Green Economy’ pillar of the Enhanced Partnership ... including in sustainable aviation and low carbon solutions,” Prime Minister Lee said at a joint press conference. The New Zealand-Singapore Enhanced Partnership was signed in 2019 covering four pillars, with a fifth pillar of ‘climate change and the green economy’ being added in 2022.

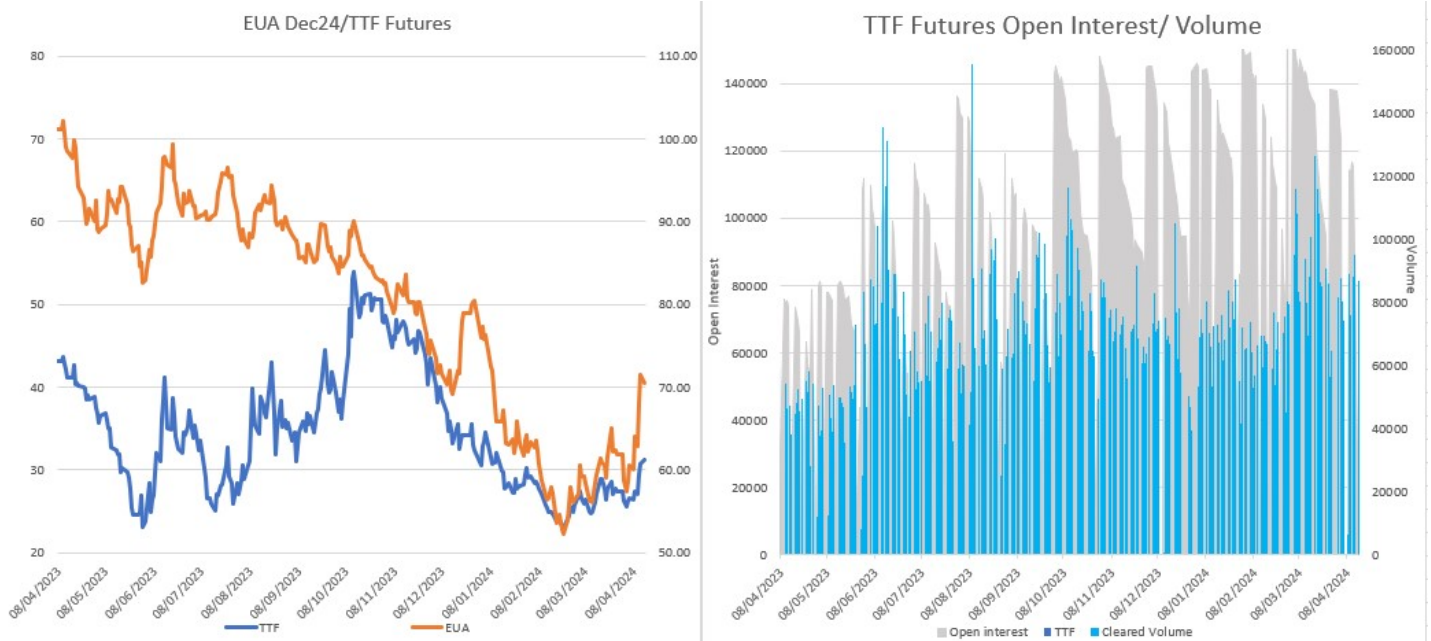
(CarbonPulse): High-quality carbon credits could be a “potentially important” tool to incentivise investment in low-emissions hydrogen, sustainable aviation fuel (SAF), and direct air capture (DAC) projects in order meet production targets required to achieve the world’s climate goals, a joint report released Tuesday found. The IEA and GenZero, subsidiary of Singapore state investment fund Temasek, published “The Role of Carbon Credits in Scaling Up Innovative Clean Energy Technologies” report , which highlighted the need to rapidly increase the level of investment and deployment of clean energy tech and infrastructure.

(CarbonPulse): The EU’s Carbon Border Adjustment Mechanism (CBAM), which came into force last year, is spurring new carbon pricing initiatives in countries around the world as they seek to avoid the CO2 tariff, an official has said, adding however, that not all of these schemes are comparable to the bloc’s ETS. Last year saw a “proliferation” of new carbon trading initiatives around the world, according to the annual report released on April 10 by the International Carbon Action Partnership (ICAP), an intergovernmental forum. There are currently 36 emissions trading systems in force globally, up from 28 at the end of 2022 , covering 18% of global emissions, said ICAP’s status report 2024 with an additional 22 in various stages of development. “This proliferation is particularly noticeable in parts of the world which are home to key emerging economies, like Mexico and Brazil in Latin America and China, India and Indonesia in the Asia-Pacific region,” the report said. In total, those emissions trading systems raised more than \$74 billion in revenue, up from \$63 bln the year before, the report said And there is growing evidence suggesting that the EU’s CBAM, which came into force last year and will be fully operational in 2026, has spurred governments around the world to take action.

Source: CarbonPulse

Indicated Markets

Energy prices fell back on Monday amid some profit-taking after tensions eased in the Middle East. However, afternoon price action reflected sustained concerns over a potential Israeli response, as well as to news that an outage at the North Sea Nyhamna facility would be extended, and benchmark markets moved back into positive territory by the end. May TTF natural gas fell as much as 3.2% in the morning, but wiped out those losses later in the day to settle 1.3% higher at €31.143/MWh on ICE. Cal-25 German baseload power also erased morning declines of as much as 2.4% to stand 0.8% up on the day at €94.25/MWh on EEX at the close. Cal-25 API2 coal last traded 1.5% lower at \$120.65/tonne on ICE.



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