



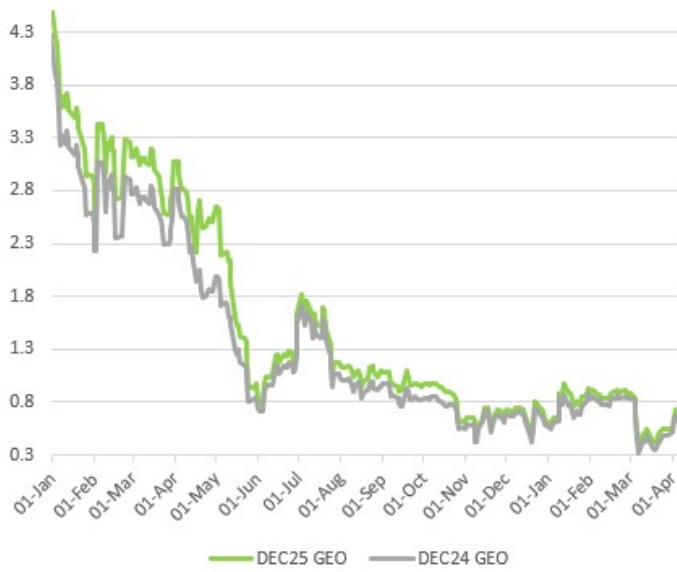
Emissions Weekly Report

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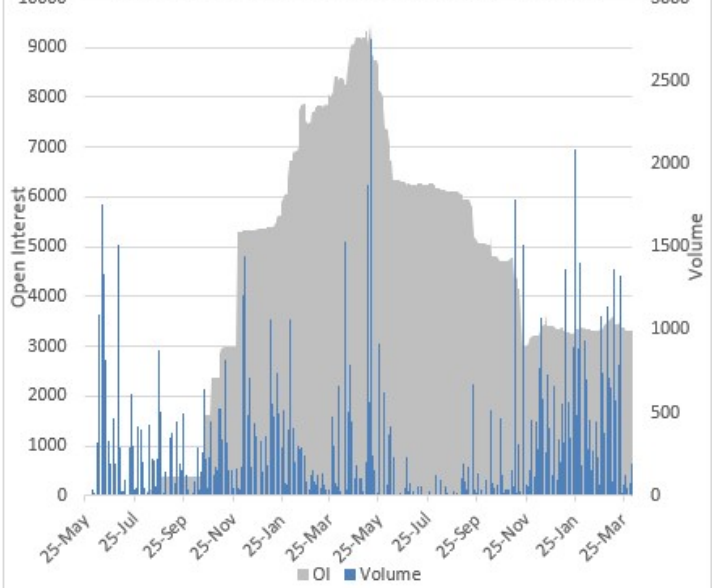
08/04/2024

(FISe View): GEO Dec24 up \$0.13 to end the week at \$0.62 with 0.59Mt traded for the week. NGO Dec24 up \$0.25 to end the week at \$1.16 with 2.52Mt traded for the week. Open Interest on both contracts remains flat at 4.60Mt on the NGO Dec24 contract and 3.32Mt on the GEO Dec24 contract.

CME GEO DEC24/ DEC25 Futures



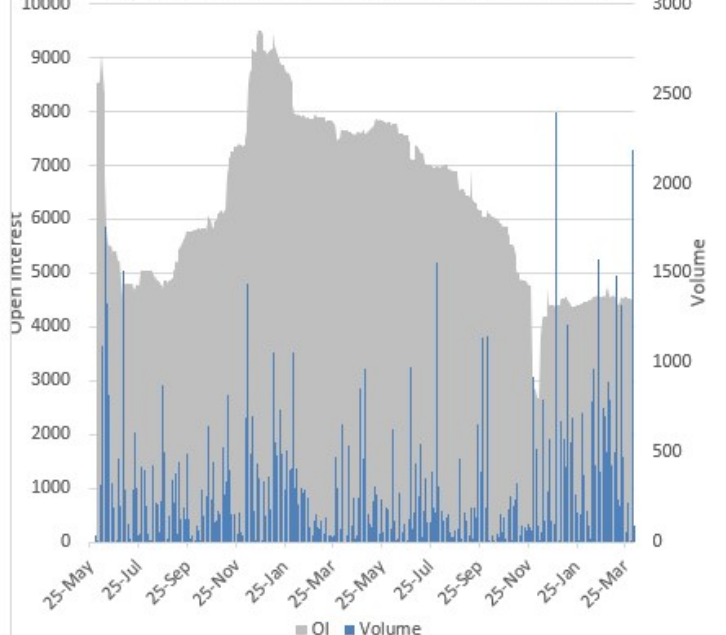
CME GEO DEC24 Open Interest/ Volume



CME NGO DEC24 / DEC25 Futures

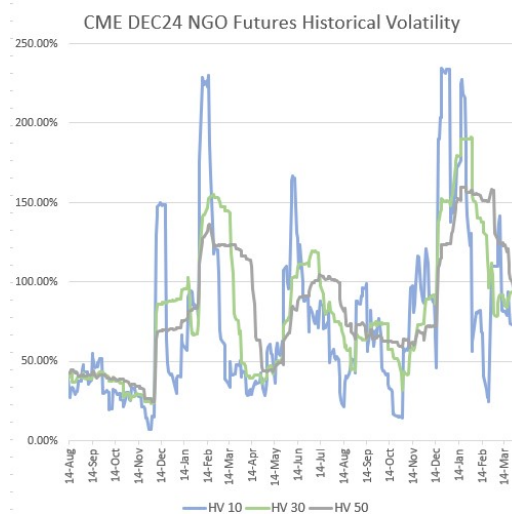


CME NGO DEC24 Open Interest/ Volume



CME NGO Historical Volatility

10 day volatility at 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

Block Trades on CME (w/c 1st Apr)

ACCU & NZU Market

(CarbonPulse): Generic and HIR ACCU prices converged to A\$34 on Thursday, before closing the day at A\$33.75. As recently as Mar. 25, HIR units had traded at a A\$2.25 premium. The price convergence follows the publication of a study in scientific journal Nature raising further doubts about the integrity of historical HIR projects. ACCU prices faced a downturn following the study's publication, despite the Clean Energy Regulator and industry group Carbon Market Institute arguing the study didn't take into account ongoing work to improve the integrity of the HIR method.

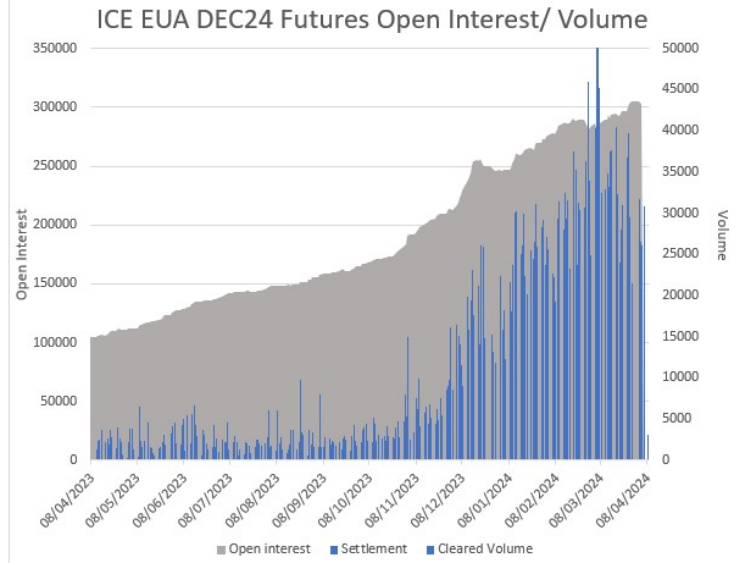
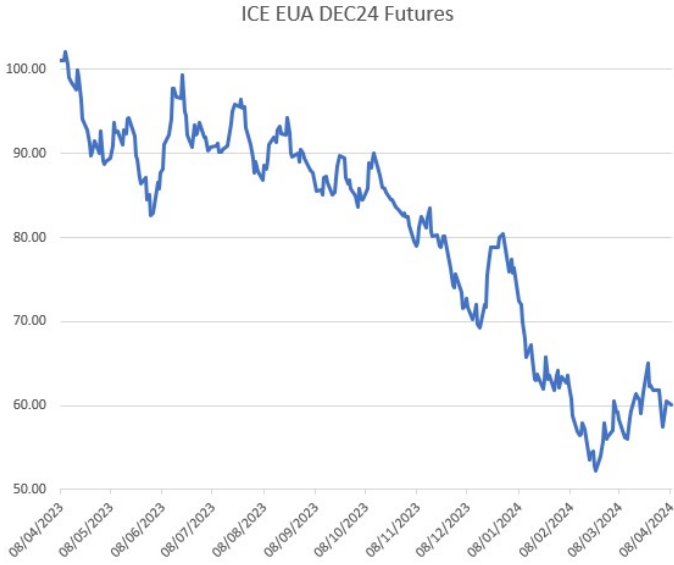
ACCU IMPLIED VOLATILITY SURFACE					
IO	10% Put	25% Put	ATM	25% Call	10% Call
Sep-24	49.00	46.50	42.00	44.00	45.00
Dec-24	47.00	44.50	40.00	42.00	44.50
Mar-25	45.00	42.50	39.00	41.00	42.50
Jun-25	43.00	40.50	38.00	39.00	40.50
Sep-25	41.00	38.50	36.00	37.00	38.50
Dec-25	39.00	36.50	34.00	35.00	36.50

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

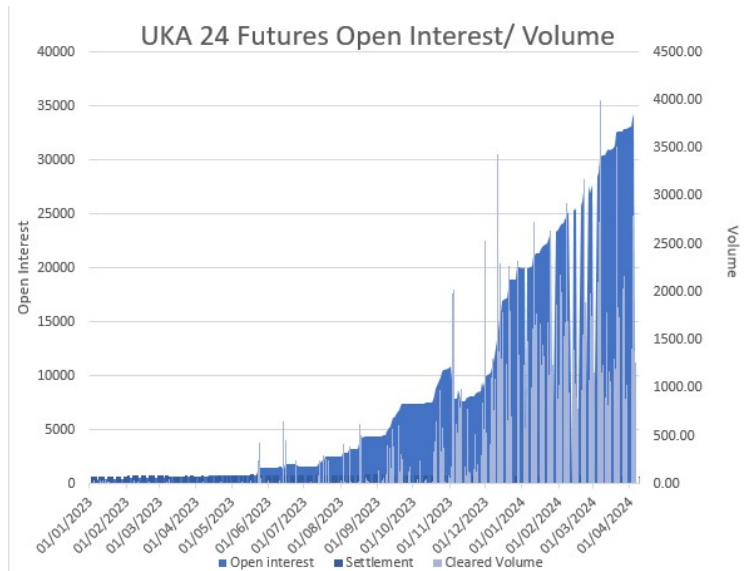
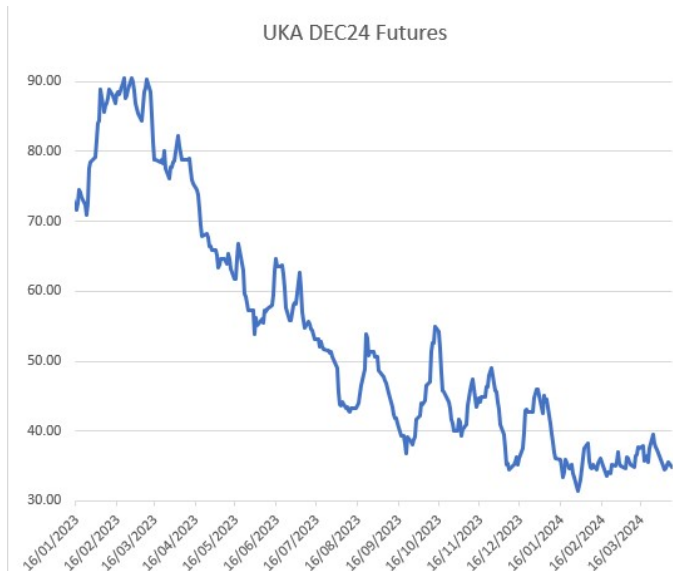
EUAs

Dec-24 EUAs began the day on a bright note, rising to a high of €59.25 in the first half-hour on ICE Endex before giving up all the gains and dropping to the low of €58.25 over the two hours leading up to the auction bidding deadline. Levels then stabilised broadly between €58.50-€59.00 over the balance of the morning. Prices held in an unusually narrow €1.00 range over the morning. The market started to advance shortly after midday, setting a succession of new daily highs up to €61.08 before the settlement window opened. The Dec-24 settled 3.6% higher on the day at €60.58, and posted a 2.2% weekly loss, the first five-day decline since Feb. 23. Volume in the front-December contract totalled nearly 31 Mt, while other contracts added a combined 13 Mt.



UK ETS

Dec-24 UK Allowances tracked the early marginal gains in the energy and EUA complex, before rising at a faster clip in the afternoon. The front-December contract set an early low of £34.34 on ICE Futures Europe, but rose slowly and steadily throughout the rest of the session, reaching a high of £35.74 in the final minutes of trading. The contract settled 2.1% higher at £35.47 on volume of 1.3 Mt. UKAs lost 5.2% over the course of the week, the biggest five-day loss since early February. The UKA-EUA spread widened to -€19.26 at the settlement, the biggest discount in two months.



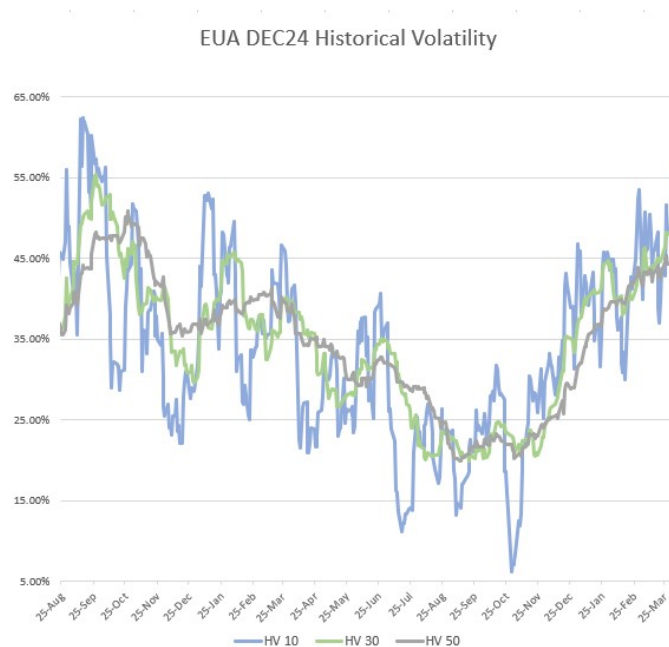
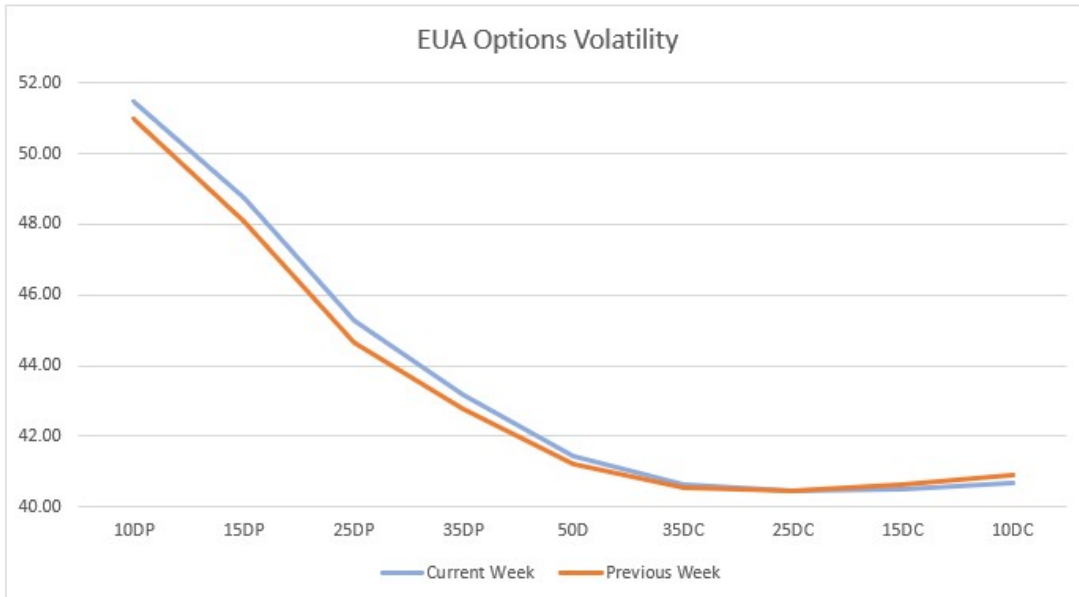
Source: Refinitiv

EUA Options Market

10DP Vol up 1.02% and 10DC Vol down 0.50%

Source: Bloomberg

Volatility Surface: 08/04/2024									
TERM	10DP	15DP	25DP	35DP	50D	35DC	25DC	15DC	10DC
Current Week	51.49	48.77	45.27	43.19	41.44	40.63	40.45	40.51	40.69
WoW Change	0.52	0.68	0.64	0.44	0.21	0.07	-0.01	-0.14	-0.20
Previous Week	50.97	48.09	44.63	42.75	41.23	40.56	40.46	40.65	40.89



Source: Refinitiv

Source: Bloomberg

Market News

(CarbonPulse): Voluntary nature credit suppliers are exploring strategies to spur companies' appetite for units, including streamlining purchases and organising awareness-raising events, as players in the carbon space do not yet have the confidence to foray into the market. While attention to the voluntary biodiversity credit market has ramped up after the 2022 Kunming-Montreal Global Biodiversity Framework (GBF), which carved out a role for nature-based solutions to help bridge the biodiversity financing gap, most companies are still reluctant to translate their interest into transactions.

(CarbonPulse): The trade of voluntary carbon credits and financial products linked to the current phase of the CORSIA international aviation offsetting scheme is expected to remain low in volume due to perceptions that the market is not yet ready to scale, according to a panel of industry experts. "There's a 'wait and see' [approach]," Peter Keavey, managing director of CME, a futures and options exchange active in the voluntary carbon market, told an event in New York Thursday, regarding futures trading in CORSIA Phase 1, the first non-pilot stage of the programme.

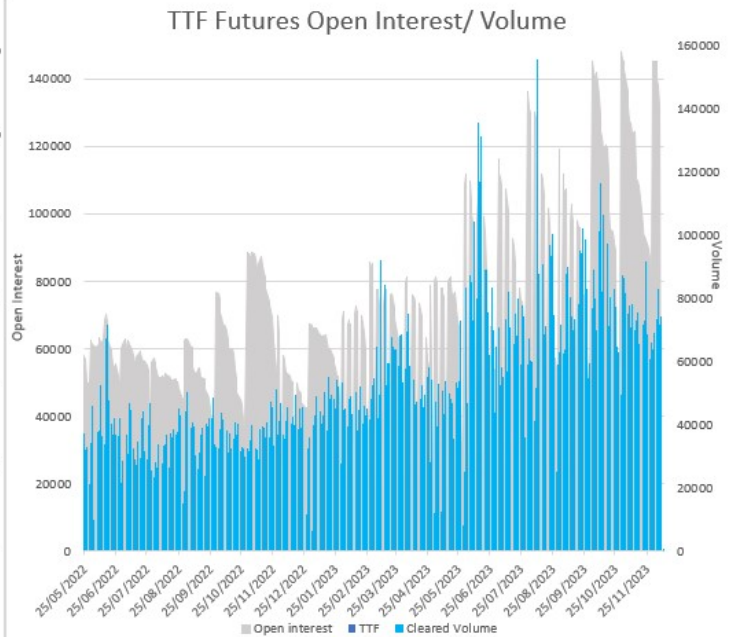
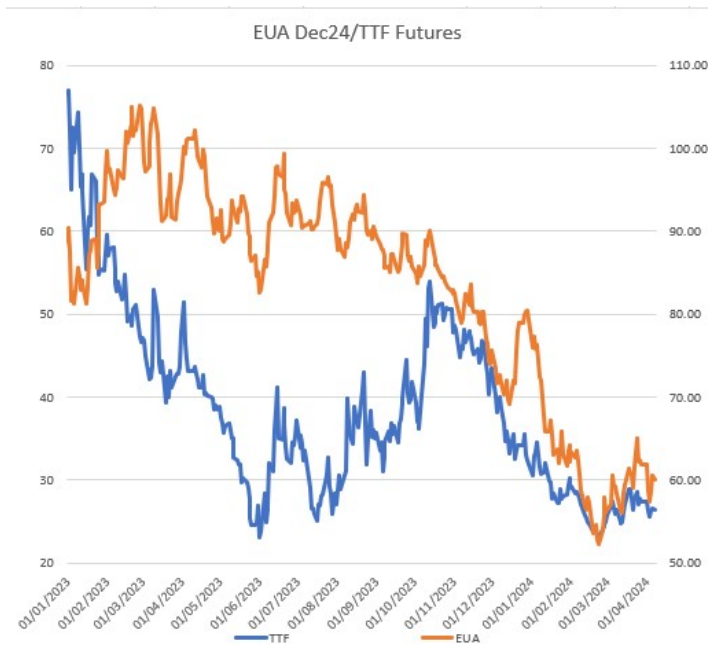
(CarbonPulse): Generic and HIR)ACCU spot prices have converged in recent days, in part due to integrity concerns stemming from last week's Nature study as well as the shift to a compliance market, according to traders and analysts. Generic and HIR ACCU prices converged to A\$34 on Thursday, according to brokers Jarden, before closing the day at A\$33.75. As recently as Mar. 25, HIR units had traded at a A\$2.25 premium. The price convergence follows the publication of a study in scientific journal Nature raising further doubts about the integrity of historical HIR projects. ACCU prices faced a downturn following the study's publication, despite the Clean Energy Regulator and industry group Carbon Market Institute arguing the study didn't take into account ongoing work to improve the integrity of the HIR method.

(CarbonPulse): The Clean Energy Regulator issued 17.2 million Australian Carbon Credit Units (ACCUs) in 2023, and expects this figure to rise to a record 20 mln in 2024, it said in its latest quarterly report, published Wednesday. Annual ACCU issuance was down by about half a million units last year compared to 2022 due to reduced crediting of human-induced regeneration (HIR) projects as the regulator worked to implement the recommendations of the Chubb review, the report said. Recommendation 8 of the review called on the regulator to ensure all HIR projects are conforming to the method's intent. The record 20 mln units the regulator expects to issue in 2024 is based partly on the fact that 4.9 mln ACCUs in crediting applications were in process at the end of 2023, including 1.9 mln HIR credits. "We expect more HIR ACCUs to be issued in 2024 with the continued implementation of the Independent Review of ACCUs recommendations and gateway audits," the report said.

Source: CarbonPulse

Indicated Markets

Energy prices ended the day modestly firmer as the late buying in carbon was echoed elsewhere, despite unchanged and comfortable supply fundamentals. May TTF natural gas settled up 1.5% at €26.606/MWh on ICE, while cal-25 German baseload power reversed a loss at midday to end 2.9% higher at €81.00/MWh on EEX. Cal-25 API2 coal last traded 1.1% higher at \$116.00/tonne on ICE.



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