

EUA DEC-25 EUR 73.90 -7.49%

24/02/2025



SUPPORT: 71.00, 68.43, 64.05 | RESISTANCE: 80.41, 78.49, 77.07

52-Week Hi/Lo:

84.50/71.55

Monthly Hi/Lo: 84.25 - 72.26

Historical Vol: 10-day 34.91 ; 30-day 31.522 ; 50-day 33.665 ; 100-day 32.402

### OUTLOOK

The EUA market experienced a sharp downturn last week, with four consecutive days of significant losses, closing 7.5% lower week-on-week. The decline was largely stemmed from continued weakness in the TTF gas market. This was triggered by a shift in sentiment largely due to forecasts of increased renewable generation, discussions on easing gas storage mandates with sensationalist headlines regarding the US/Russia talks brokered by Saudi Arabia providing plenty of impetus for downward pressure on price. There is a slew of speculation as to the probability of a return of Russian gas and the quantities we could expect to see as traders look to price in the implications of a return to large scale Russian flows to the continent. By Thursday EUA prices hit a low of EUR72.26, narrowly avoiding a test of the 200 EMA support at EUR72.15, with this being a key level to follow over the coming week.

**TECHNICAL:** Technically bullish but in a corrective phase, the MA on the RSI implies that momentum is weak. The futures have traded down to, but are holding above the 200 period MA (EUR 71.98). If we trade below this level and breach the EUR 71.00 support, then the probability of the futures trading to a new high will start to decrease, meaning there is a greater chance of the Elliot wave cycle failing. We are still in bullish territory whilst trading above the high of yesterday's bear candle (EUR 73.97), if we close today above this level, then resistance levels could come under pressure in the near-term.



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**NEXT AUCTION: 10/02/2025**

DATE	Auction Price	Auction Vol	Cover Ratio	Differential to Spot
17/02/2025	77.02	3,245,500	1.53	-0.04
18/02/2025	74.53	3,245,500	1.47	-0.09
20/02/2025	71.21	3,245,500	1.64	+0.11

**Energy and Price Drivers**

Gas TTF Spot (March 25' contract): **EUR 47.19** | Feb-25 German baseload power **EUR 125.19 /MWh**

**Geopolitics and Supply**

- Talks between US President Trump and Russian President Putin have raised the possibility of a peace deal and the risk of Russian gas flows to Europe has increased as a result, impacting TTF.
- Estimates as to what this means in reality for Russian gas flows into Europe vary and are dependent on the blocs unity and rigidity in staving off a return to dependency on Russian gas.
- Trevor Sikorski of Energy Aspects said transit flows via Ukraine would be the mostly likely route to Europe for any returning Russian gas flows. He expects that only 10-12bcm would be likely to return. Whereas Earlier in the month, an Equinor executive suggested that up to 35bcm of Russian pipeline gas could return to Europe, via Nord Stream 2 and Ukraine.
- Slovakia and Hungary are European states where Russian Gas is more likely to return, states who are susceptible to violating the more

**Storage**

- Bloomberg reported that the EU would allow more flexible refilling of gas storage post 2025. Despite protestation from key European economies such as Germany and Italy the status quo remains for 2025, that is that EU member states must have storage levels at 90% by Nov 1st.
- European gas storage has fallen to 41.93% full on Feb. 19, according to GIE, compared to the previous five year average of 52.7% amid high withdrawal rates since Feb. 10.

**Weather**

Temperatures will dip below normal this week before warmer weather will bring Above average temperatures as we head into march. Increasing wind generation over the next two weeks is also expected to alleviate demand for gas in Europe.

**The Potential Affect Of Russian Flows on TTF price**

- Summer 2025 TTF prices would fall 36%-56% below the €50/MWh base case if Russia gas flows through Ukraine returned to pre-war levels, according to Goldman Sachs cited by Reuters.
- European natural gas prices could surge above EUR 70/MWh if the US further extends sanctions on Russian LNG, Rabobank said.

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### Summary of the Previous Five Days Of Trading

Monday 10th .....**OPEN: 79.88 CLOSE: 77.21 HIGH: 79.88 LOW: 76.80**  
Tuesday 11th .....**OPEN: 76.73 CLOSE: 75.74 HIGH: 77.40 LOW: 74.63**  
Wednesday 12th.....**OPEN: 75.48 CLOSE: 74.02 HIGH: 76.26 LOW:73.53**  
Thursday 13th.....**OPEN: 73.85 CLOSE: 72.67 HIGH: 73.97 LOW: 72.26**  
Friday 14th.....**OPEN:72.60 CLOSE: 73.90 HIGH: 74.90 LOW: 72.40**

### Commitment of Traders report

INVEST INST.	VOL.	CHANGE	OI
LONG	104,872.09	+1,027.13	16.82%
SHORT	46,201.06	+2,847.20	7.43%
NET	58,671.04	-1,820.07	-
CREDIT INST.	VOL.	CHANGE	OI
LONG	189,555.34	+6,416.33	30.41%
SHORT	521,055.55	+8,085.70	83.81%
NET	-331,500.22	-1,669.41	-
COMMERCIAL	VOLUME	CHANGE	OI
LONG	257,706.16	+1,329.96	41.33%
SHORT	51,201.16	-681.86	8.23%
NET	206,505.00	+2,011.81	-

Speculator positioning in the EU ETS futures on the ICE exchange turned More bearish for the first time after more bullish positioning for seven consecutive weeks, the latest CoT data as of 14 February showed

### Options data (Dec 25 contract)

STRIKE	100	90	80
CALL OI	21,560(-0.7%)	10,788 (+3.8)	25,525 (-1.83%)
STRIKE	65	70	75
PUT OI	5,025(12.29%)	7,970 (+6.62%)	4,000(+12.67%)

Open interest on call options saw relatively little movement as option traders reacted with indifference to last weeks sell off. On the put option side OI increased significantly at the 65 and 75 strikes.

### IN THE NEWS

Europe's largest economy voted in a general election this week [Exit poll may appear decisive - but path to coalition is not clear yet](#)

Markets contend with the conflict in Ukraine, Russian gas and storage levels [Why Europe's Gas Storage Has Become More of a Worry](#)

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