

FIS Weekly EUA Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

EUA DEC-25 EUR 68.80 -3.5%

01/04/2025



SUPPORT: 66.78, 65.37, 64.05 | **RESISTANCE:** 71.31, 75.55, 75.64

52-Week Hi/Lo:

84.50/71.55

Monthly Hi/Lo: 74.23 - 66.78

Historical Vol: 10-day 31.34 ; 30-day 30.328 ; 50-day 30.989 ; 100-day 30.205

OUTLOOK

EUA's traded lower last week bringing to an end a successive two week corrective pull back in a continuation of a wider bearish structure. Price movements in the EU ETS were reflective of a similar decline in TTF as participants looked to price in the prospect of a looser gas market over the refuelling season, amid policy discussions over the easing of the 90% storage mandate and the first net injection of the year. The market continues to pontificate a return of significant Russian flows into the continent as an attack on the Sudzha gas facility on Thursday jeopardises flows via the Ukrainian route, arguably the most plausible route for a return of flows in any scenario. Meanwhile, the Turkstream pipeline continues to operate at or above maximum capacity and we expect this to continue in the medium term. The sudzha attack did little to abate the largest EUA single-day loss since early March last Thursday after EU member states backed the Clean Industrial Deal while France pushed for CBAM reforms and a revaluation of the free allowance phaseout. With Open interest the highest point the Dec24 contract roll-off and Implied volatility the highest since Jan 10 we expect a reactive Carbon market in the coming weeks with headlines in TTF setting the course for moves lower or a trend reversal.

Technical: The futures remain bullish with a neutral bias. The upside rejection of the fractal resistance zone has been followed by a move below the EUR 69.31 support level, warning the EUR 66.78 fractal support is now vulnerable. We do have a note of caution on downside breakouts below this level, as this will create a positive divergence with the RSI, not a buy signal, it warns we could see a momentum slowdown. Our Elliot & wave analysis had suggested that the bearish corrective phase looked to have completed. If we do trade below EUR 66.78 it will indicate (confirm) that there is a bearish wave extension in play. Unfortunately, we cannot predict this will happen until it is confirmed: However, the

DATE	Auction Price	Auction Vol	Cover Ratio	Differential to Spot
25/03/2025	69.85	3,245,500	1.64	+0.03
26/03/2025	69.61	3,245,500	1.50	+0.04
27/03/2025	68.41	3,245,500	1.54	-0.07

NEXT AUCTION: 24/03/2025

Energy and Price Drivers

Gas TTF Spot (April 25' contract): [EUR 40.815](#) | MAR-25 German baseload power [EUR 95.47 /MWh](#)

Correlation between EUA/TTF for 30-day weakened last week at 0.53. The EUA/UKA weakened slightly yet remained high at 0.67

Storage Targets

EU countries are discussing a proposal to allow them to deviate from the 90% gas storage target, if market conditions make this prohibitively expensive

Europe recorded its first weekend of gas storage injections of the year amid milder weather, stronger renewables production and lower demand, according to IEA

European gas stores were down to 33.62% full on Mar. 26, according to GIE, compared to the previous five year average of 45.2% with net withdrawals unchanged on the day.

Demand and Supply

Ukraine agreed on 25 March to a partial ceasefire with Russia after US-Russia and US-Ukraine talks in recent days, involving a Black Sea and energy infrastructure truce.

Gazprom will substantially increase gas supplies to Slovakia via Turkey and Hungary via the Turk stream pipeline from April, SPP CEO Vojtech Ferencz said. Earlier this month, Hungary, Turkey and Slovakia all received a US waiver extension for gas payments to Russia until May.

Hungarian Foreign Minister Peter Szijjarto said the country expects to receive 7.5-8bcm of gas from Russia via the TurkStream pipeline in 2025.

An attack on the Sudzha gas facility on Thursday resulted in an uptick in price as 'significant damage' jeopardises the prospect of a return of Russian flows via the Ukrainian route, arguably the most plausible route in any scenario of a return to Russian gas

Weather

We expect a higher renewable generation early in the week with a return to average to below average generation as we head into the weekend and into next week.

Carbon Pullback On Policies Reform Calls

Both EUAs/UKAs Dec25 saw their largest single-day loss since early March on this Thursday after EU member states backed the Clean Industrial Deal while France pushed for CBAM reforms and a revaluation of the free allowance.

Summary of the Previous Five Days Of Trading

Monday	.....	OPEN: 71.30 CLOSE: 71.52 HIGH: 71.94 LOW: 70.75
Tuesday	.....	OPEN: 71.25 CLOSE: 70.46 HIGH: 71.60 LOW: 70.21
Wednesday	.....	OPEN: 70.27 CLOSE: 70.83 HIGH: 71.80 LOW: 69.88
Thursday	.....	OPEN: 70.55 CLOSE: 68.54 HIGH: 70.58 LOW: 68.08
Friday	.....	OPEN: 68.20 CLOSE: 68.80 HIGH: 69.38 LOW: 67.95

Commitment of Traders report

INVEST INST.	VOL.	CHANGE	OI
LONG	82,363.13	+573.97	12.43%
SHORT	49,027.87	-1,665.81	+7.41%
NET	33,335.26	+2,239.79	-
CREDIT INST.	VOL.	CHANGE	OI
LONG	209,486.92	+6,065.27	31.62%
SHORT	558,421.45	+22,867.39	84.42%
NET	-348,934.50	-16,802.09	-
COMMERCIAL	VOLUME	CHANGE	OI
LONG	297,330.91	+11,910.21	44.88%
SHORT	51,999.89	-2,550.13	7.86%
NET	245,331.02	+14,460.34	-

Speculator positioning in EU ETS futures on the ICE exchange turned more bullish last week after reducing net long positionings for five consecutive week, the latest COT data as of 21 March showed.

Options data (Dec 25 contract)

STRIKE	100	90	80
CALL OI	26,435 (4.01%)	11,323 (3.66%)	24,615 (0.6%)
STRIKE	65	70	75
PUT OI	5,375(4.87%)	10,425(1.2%)	3,985

EUA Mar25 implied volatility fell to 34.79% as of 21 March, the lowest level since 5 March, ahead of the 26 March expiry, indicating cheaper option premiums and calmer market expectations for price movements in the remaining days.

- EUA Dec25 implied volatility has hit the highest since 10 Jan this week as futures contracts are tracking a nearly 4% weekly losses amid EU gas decline.

IN THE NEWS

A massive attack on the Sudzha gas facility shook the TTF market on Thursday as the market weighed in the diminished prospect of gas flows via the Ukrainian route [Russia says Ukraine 'virtually destroys' gas infrastructure in Sudzha](#)

Contact

Robert Jones (Head of Emissions Broking)
+44 7727 479982
RobertJ@freightinvestor.com

William Addisson (Emissions Junior Broker)
william@freightinvestor.com

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com