

FIS Weekly EUA Report

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

EUA DEC-25 EUR 71.00 -4.85%

03/03/2025



SUPPORT: 71.00, 68.43, 64.05 | **RESISTANCE:** 75.97, 77.59, 79.80

52-Week Hi/Lo:

84.50/71.55

Monthly Hi/Lo: 84.25 - 70.69

Historical Vol: 10-day 29.94 ; 30-day 32.205 ; 50-day 32.351 ; 100-day 31.719

OUTLOOK

The bearish trend in EUA's continued unabated last week, posting successive losses early in the week with a recovery on Thursday being wiped out entirely by heavy selling pressure on Friday. The benchmark contract closed 4.85% lower to finish the week at EUR 71, notably well below key support at the 200 day moving average (71.88). Persistent selling came amid volatility in the TTF market. TTF price grappled with bearish pressure, attributed to political soundings regarding a peaceful resolution to the Ukrainian conflict (with the return of Russian gas a subject of continued speculation) and European talks on alleviating storage mandates. The latter affected price in the front end of the curve, narrowing the inverted summer-winter spread to EUR1 (down from a high of EUR6 toward the end of Jan). However, a tighter market throughout the refuelling season remains the status quo as storage levels remain 10% lower than the five year average (current storage now stands at 38.23%). With TTF trading higher today following concerns over a protracted end to the Ukrainian conflict after Trump and Zelensky's recent standoff, Carbon is well positioned to stage a recovery this week after heavy selling over the past fortnight has seen a significant 11% drop off in the benchmark Dec 25 contract.

TECHNICAL: Technically bullish with a neutral bias, the probability of the futures trading to a new high has started to decrease. The MA on the RSI implies that momentum is weak; however, both the 1-and-4-hour timeframe are in divergence with the RSI, whilst intraday Elliot wave analysis suggests we have a 5-wave pattern lower, from the downside move that started on the 10/02 from a high of EUR 84.25. For this reason, despite the move below the EUR 71.00 support, we are cautious on move lower at these levels, as momentum and wave analysis suggests suggest they could struggle to hold.

NEXT AUCTION: 10/02/2025

DATE	Auction Price	Auction Vol	Cover Ratio	Differential to Spot
24/02/2025	70.80	3,245,500	1.47	+0.11
25/02/2025	71.15	3,245,500	1.72	-
27/02/2025	69.96	3,245,500	2.00	+0.04

Energy and Price Drivers

Gas TTF Spot (March 25' contract): **EUR 44.320** | Feb-25 German baseload power **EUR 105.96 /MWh**

Geopolitics and Supply

Germany's gas hub Trading Hub Europe (THE) and industry representatives are also in talks with the German government about relaxing gas storage targets in the country a Uniper official said on a Tuesday earnings call.

Changing storage targets are a key driver of TTF pricing at present as traders try to work out how much refilling demand will be required this summer.

Europe's LNG imports could surge by more than one-third this summer, translating to 250 additional LNG cargoes, tightening up the global gas market, according to IEA analyst Greg Molnar.

Storage

Total stores were at 38.23% full on Mar. 1, according to GIE, compared to the previous five year average of 49.7%. with net withdrawal rates back near normal on the day.

The inverted sum-win spread narrowed to one euro, down from a high of 6 euros—reflecting market speculation over a relaxation of storage mandates and an alleviation of a tighter refuelling season.

Weather

Temperatures in NW and central Europe are forecast to rise above normal this week but turn colder again during the second week of the outlook and through mid month. Some forecasts highlight the risk of a sudden stratospheric warming by mid month potentially leading to cold in northern Europe.

The Potential Affect Of a return of Russian gas Flows on TTF price

With the start of Russia-US talks over the war in Ukraine, a potential return of pipeline flows to Europe is back on the table, Michael Stoppard, Global Gas Strategy Lead told the LEF Feb. 24

However, even if flows were to return, Russian volumes would only reach one quarter to one third of pre-invasion levels, he added.

Europe would see any return to large dependence on Russian gas as unacceptable. This would also necessitate repairing the Nord Stream pipeline which also is unlikely.

Summary of the Previous Five Days Of Trading

Monday	.....	OPEN: 74.62 CLOSE: 73.66 HIGH: 74.99 LOW: 73.66
Tuesday	.....	OPEN: 73.76 CLOSE: 71.75 HIGH: 74.00 LOW: 71.15
Wednesday	.....	OPEN: 71.78 CLOSE: 71.02 HIGH: 72.58 LOW: 70.69
Thursday	.....	OPEN: 71.00 CLOSE: 72.78 HIGH: 73.53 LOW: 71.00
Friday	.....	OPEN: 72.90 CLOSE: 71.00 HIGH: 73.69 LOW: 70.76

Commitment of Traders report

INVEST INST.	VOL.	CHANGE	OI
LONG	93,516.83	-11,355.26	14.90%
SHORT	43,194.67	-3,006.39	6.90%
NET	50,322.16	-8,348.88	-
CREDIT INST.	VOL.	CHANGE	OI
LONG	198,966.26	+9,410.92	31.69%
SHORT	526,154.19	+5,098.64	84.00%
NET	-327,187.94	+4,312.28	-
COMMERCIAL	VOLUME	CHANGE	OI
LONG	264,734.58	+7,028.42	42.17%
SHORT	53,088.10	+1,886.94	8.47%
NET	211,646.50	+5,141.50	-

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	21,510(-0.23%)	11,438(+6.03%)	22,675(-11.17%)
STRIKE	65	70	75
PUT OI	4,850(-3.5%)	9,075(+13.86%)	3,985(-0.375%)

Open interest on call options saw significant repositioning's on the 90 and 80 strikes, posting a 6% rise and an 11% decrease respectively. On the put side, there was a sizeable 13.8% increase in open interest at the 70 strike.

IN THE NEWS

Speculation over the resolution of the conflict Ukraine has reached a fever pitch over the weekend, following a confrontational encounter between Trump and Zelensky at the white house last week. [Trump accused of making White House 'arm of the Kremlin' after Zelensky bust-up: Live updates | The Independent](#)

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