

EUA DEC-25 EUR 70.99 +3.71%

17/03/2025



SUPPORT: 66.78, 65.36, 64.05 | RESISTANCE: 73.55, 75.64, 78.48

52-Week Hi/Lo:

84.50/71.55

Monthly Hi/Lo: 72.87 - 66.78

Historical Vol: 10-day 34.052 ; 30-day 30.338 ; 50-day 30.754 ; 100-day 30.198

**OUTLOOK**

After five weeks of successive losses in the EUA market, the benchmark contract finally received some reprieve last week, rising 3.71% to close at EUR70.99. There was little appetite for moves lower as participants looked toward a doveish German budget, rising European industrial output and the linking of the EU and UK ETS as justification to enter long positions. Elsewhere the TTF/Carbon correlation stands at 0.57 as TTF continues to provide a price signal. The anticipation of a tighter gas market throughout the refuelling season has come back into focus as we move tentatively toward warmer weather, with a positive sum-win spread prompting the EU to formally discuss relaxing storage mandates this week. Developments in Ukraine and speculation over a softening of Russian sanctions has resulted in heavy selling in recent weeks and it would appear that the market remains reactionary to sensationalist geopolitical headlines, as demonstrated on Thursday as Putin's comments stating that he would support a truce in principal resulted in a heavy sell off. Looking ahead we can expect a return to volatility this week with potential for a continuation of a steady recovery in EUA prices probable, with EUR72.94 at the 50 EMA a key level to follow.

**Technical:** Technically we remain bearish with a neutral bias, the MA on the RSI implies that momentum is supported with price now testing the 200-period MA (EUR 71.42); a close above that holds above the averages will warn that the EUR 78.84 resistance could be tested and broken, if it is, then the technical will be back in bullish territory. Likewise, a rejection of the average will leave support levels vulnerable. However, we continue to have a note of caution on lower moves as the intraday wave cycle does warn that the bearish correction could potentially have completed. We should note that the lower timeframe oscillator cross is marginal, so there is a chance we could see a bearish wave extension. Based on the information on the technical at this point, we are cautious on lower moves.

## NEXT AUCTION: 17/03/2025

DATE	Auction Price	Auction Vol	Cover Ratio	Differential to Spot
10/03/2025	68.18	3,245,500	1.47	-0.02
11/03/2025	67.02	3,245,500	1.44	-0.01
13/03/2025	66.20	3,245,500	1.81	+1.14

**Energy and Price Drivers**

Gas TTF Spot (April 25' contract): **EUR 42.290** | MAR-25 German baseload power **EUR 95.65 /MWh**

Correlation between EUA/TTF for 30-day period fell slightly last week to 0.57.

**Storage Targets**

European gas stores were at 35.01% full on Mar. 15, according to GIE, compared to the previous five year average of 46.1%. Net withdrawal rates are holding just above normal.

The net EU gas storage withdrawal rate in the week to Mar. 9 fell to 40% below normal at 2,175GWh/d from 25.5% above normal at 4,379GWh/d the previous week. Based on the withdrawal rates from the last ten years from now until the end of March the EU storage level would fall to an average of 34.08% of capacity at the end of the season.

EU members are discussing more flexible gas storage goals, according to a negotiation document cited by Reuters on Saturday. Involves consideration to change the EU's gas storage target deadline of Nov. 1 each year to a range of any time between Oct. 1 and Dec. 1, Reuters reports.

**Demand and Supply**

Norwegian pipeline supplies to Europe are at 333.2mcm/d today. Gassco shows total capacity reduction of 9.6mcm/d today

European LNG send out was at 398mcm/d on Mar. 15 compared to an average of 417mcm/d so far in March.

JPMorgan now assumes 15 Bcm/y of increased Russian natural gas flows starting in 2H25, following steps taken toward a potential ceasefire between Russia and Ukraine.

EUA Dec25 implied volatility is approaching the highest since 6 Feb as futures contract tracking a 2.62% gain on week amid ETS linking reconsideration and EU Gas gains.

**Weather**

Temperatures are forecast to rise above normal in the coming days and remain warm over the weekend before falling back to near normal for the last few days of the month. The 10-day ahead wind output forecast for CWE has been revised higher for 5 days and is seen at 21.42GW to 40.8GW, or load factor from 21% to 39%.

**EUA outlook**

Deutsche Bank forecasted that the EUA nearest-December price will range between €60-100/ton CO2e in 2025, and €50-140/ton CO2e in 2026

### Summary of the Previous Five Days Of Trading

Monday	.....	OPEN: 68.45 CLOSE: 69.01 HIGH: 70.28 LOW: 67.65
Tuesday	.....	OPEN: 68.76 CLOSE: 68.24 HIGH: 69.71 LOW: 67.42
Wednesday	.....	OPEN: 67.69 CLOSE: 69.62 HIGH: 69.81 LOW: 67.27
Thursday	.....	OPEN: 69.36 CLOSE: 70.60 HIGH: 71.82 LOW: 68.54
Friday	.....	OPEN: 70.42 CLOSE: 70.99 HIGH: 71.75 LOW: 69.37

### Commitment of Traders report

INVEST INST.	VOL.	CHANGE	OI
LONG	199,996.94	+12,799.17	31.63%
SHORT	528,906.50	+9,445.96	+83.65%
NET	-328,909.56	+3,353.19	-
CREDIT INST.	VOL.	CHANGE	OI
LONG	199,996.94	+12,799.17	31.63%
SHORT	528,944.96	+9,445.96	83.65%
NET	-328,909.56	+3,353.19	-
COMMERCIAL	VOLUME	CHANGE	OI
LONG	278,561.04	+6,513.32	44.05%
SHORT	55,963.03	+6,930.35	8.85%
NET	222,598.00	-417	-

Funds positioning in the EU ETS turned more bearish for the fourth consecutive week, with net long positionings holding at the lowest since 19th January.

### Options data (Dec 25 contract)

STRIKE	100	90	80
CALL OI	24,860(15.57%)	10,823(-5.38%)	23,615(5.49%)
STRIKE	65	70	75
PUT OI	5,125(-)	10,300(7.85%)	3,985

EUA Mar25 options is due to expire on 26 March, with the current aggregate open interest at 54k for call contracts and 63k for puts, and put/call open interest ratio is at 1.16. The largest call volumes stood at 11k at the €75/ton CO2e strike, while put volumes sit at 16k at the €75/ton CO2e strike.

### IN THE NEWS

The EU and the UK are giving “serious consideration” to linking the two carbon markets, Spencer Livermore, financial secretary to the Treasury, said in the House of Lords on Wednesday. Correlation between EUA/UKA jumped to a three-month high to 0.7 on 13 March as the headline on ETS linking spurred a rally in UKAs while EUAs were also driven up.

Meanwhile traders continue to monitor legislative amendments to the gas storage targets, a softening of which could alleviate near term gas prices [EU countries draft plan to soften gas storage targets, document shows](#)

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