

EUA DEC-25 EUR 71.45 1.5%

24/03/2025



SUPPORT: 71.36, 69.31, 66.78 | RESISTANCE: 73.55, 75.64, 78.48

52-Week Hi/Lo:

84.50/71.55

Monthly Hi/Lo: 74.23 - 66.78

Historical Vol: 10-day 25.206 ; 30-day 32.037 ; 50-day 30.12 ; 100-day 30.297

OUTLOOK

EUA's posted a second week of gains as the benchmark contract rose 1.5% to close at 71.50 on Friday. The move was considered a continuation of corrective price action following a significant bearish trend since February. Simultaneously, the TTF market has consolidated its own losses as the market contemplates the realities of a protracted peace negotiation in Ukraine and lower than average storage levels against warmer weather and a potential relaxation of storage mandates. This week's commitment of traders report reflected the potential for a looser TTF market to pave the way for further downside moves in the EU ETS as EUA speculator positioning turning more bearish for the fifth consecutive week. Looking ahead, this week's US/Ukraine negotiations in Saudi Arabia will take a central focus, as sensitivity to developments persists in light of Friday's Strike on the Sudzha gas facility and the capricious nature of the conflict. Whilst the strike did result in a spike in both EUA and TTF markets the gains were unwound as the Dec 25 contract posted a significant 2.14% decline on the day as end of week profit taking and rising renewable generation diminished EUA's weekly gains.

Technical: Unchanged on the technical this week, we remain bearish with a neutral bias. The MA on the RSI implies momentum is supported at this point, whilst intraday Elliot & wave analysis does warn that the bearish corrective phase may have completed, meaning we continue to have a note of caution on downside moves at this point. The futures are seeing a move lower today, as price is struggling to hold above a fractal resistance zone that formed in November 24; however, we are still above the daily 200 period MA. A close below the average will warn that the EUR 69.31 support could come under pressure, as this will also mean that the futures will have closed below the low of the last dominant bull candle (EUR 71.50). If we hold above EUR 69.31 level, it will support a near-term bull argument; if broken, then the USD 66.78 fractal low will become vulnerable. A cautious bear, EUR 69.87—EUR 69.31 is a key support zone.

DATE	Auction Price	Auction Vol	Cover Ratio	Differential to Spot
17/03/2025	68.53	3,245,500	1.59	-0.05
18/03/2025	68.66	3,245,500	1.64	+0.06
20/03/2025	71.54	3,245,500	1.35	-0.38

NEXT AUCTION: 24/03/2025

Energy and Price Drivers

Gas TTF Spot (April 25' contract): [EUR 42.605](#) | MAR-25 German baseload power [EUR 95.47 /MWh](#)

Correlation between EUA/TTF for 30-day remained stable last week at 0.63

Storage Targets

European gas stores were 33.90% full on Mar. 22, according to GIE, compared to the previous five year average of 45.35%. GIE data shows a switch to a net injection for the first time this year on Mar. 22.

European diplomats are in discussion to amend the EU gas storage targets to allow for voluntary intermediate targets and a one month extension of the Nov 1st 90% storage target. EU officials will hope that these amendments will reinstate a negative Sum-Win spread once again incentivising storage refills ahead of the winter months

Demand and Supply

Norwegian pipeline supplies to Europe are up to 331.9mcm/d today. Gassco shows capacity reduction of 9.6mcm/d rising to 14.6mcm/d on Mar. 27.

A strike on gas facility in Sudzha represented a violation of the current energy infrastructure ceasefire and has diminished market expectations of a sudden return of Russian gas flows to the continent. TTF was supported early on Friday before milder forecasts reversed gains.

Trumps' phone call with Putin was interpreted as bullish for gas prices, as Russia imposes tough conditions on a US ceasefire proposal, according to platts. Analysis conducted at JP morgan stated that the most plausible scenario for increased Russian gas flows is via a renewed Ukraine transit deal which would see a return to 2024 levels.

Europe is expected to absorb the vast majority of flexible LNG supply in 2025 a testament to the heavy dependence on LNG imports to rebuild European gas storage over summer in the absence of Russian flows.

Weather

Temperatures in NW Europe are forecast slightly above normal at the start of this week before cooling back to near normal from the end of the week and into the start of April. Wind generation is expected to increase across the continent, relinquishing pressure on gas withdrawals as we head into the warmer months.

TTF outlook

JPMorgan has revised down its TTF forecast for 2H25 to €40/MWh, having previously forecast €47/MWh for full year 2025. MUFG expects TTF to end 2025 at €29/MWh in the case of Russian gas flows through Ukraine at 2024 levels.

Summary of the Previous Five Days Of Trading

Monday	.....	<u>OPEN: 70.37 CLOSE: 70.11 HIGH: 70.99 LOW: 69.59</u>
Tuesday	.....	<u>OPEN: 70.17 CLOSE: 71.30 HIGH: 71.75 LOW: 69.82</u>
Wednesday	.....	<u>OPEN: 71.50 CLOSE: 73.44 HIGH: 74.23 LOW: 71.50</u>
Thursday	.....	<u>OPEN: 73.73 CLOSE: 73.01 HIGH: 74.19 LOW: 72.80</u>
Friday	.....	<u>OPEN: 74.00 CLOSE: 71.45 HIGH: 74.16 LOW: 71.23</u>

Commitment of Traders report

INVEST INST.	VOL.	CHANGE	OI
LONG	203,421.65	+3,424.71	31.63%
SHORT	535,554.06	+6,647.56	+83.28%
NET	-332,132.41	-3,222.84	-
CREDIT INST.	VOL.	CHANGE	OI
LONG	203,421.65	+3,424.71	31.63%
SHORT	535,554.06	+6,647.56	83.28%
NET	-332,132.41	-3,222.84	-
COMMERCIAL	VOLUME	CHANGE	OI
LONG	285,420.70	+6,859.66	44.38%
SHORT	54,550.02	-1,413.01	8.48%
NET	230,870.67	+8,272.67	-

Speculator positioning in the EU ETS futures on the ICE exchange turned more bearish for the fifth consecutive week with net long positionings at the lowest since 10 January.

Options data (Dec 25 contract)

STRIKE	100	90	80
CALL OI	25410(2.21%)	10,923(-0.9%)	24,465 (3.6%)
STRIKE	65	70	75
PUT OI	5,125(-)	10,300(7.85%)	3,985

EUA Mar25 futures options showed a shift from put-heavy to call-heavy positioning ahead of the 26 March expiry. the current aggregate open interest at 59k for call contracts, up from 58k in the prior day, and 58k for puts, down from 62. Put/call open interest ratio is at 0.98, lower compared to the 1.10 the previous day amid a nearly 7% open interest cut in put contracts.

IN THE NEWS

A strike on Sudzha gas facility represents a violation of the US backed energy ceasefire, raising doubts over the prospect of Russian gas flows via Ukraine. [Mapped: Where is key Russian gas pumping station hit by huge explosion](#)

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