

EUA DEC-25 EUR 63.82 -6.9%

05/04/2025



SUPPORT: 63.28, 60.30, 56.51 | RESISTANCE: 67.10, 68.46, 70.31

52-Week Hi/Lo:

84.50/71.55

Monthly Hi/Lo: 70.72 - 62.69

Historical Vol: 10-day 35.012 ; 30-day 33.304 ; 50-day 32.324 ; 100-day 30.9

### OUTLOOK

Losses were significantly extended in the EU/UK ETS last week as a radical transformation in the global economic order incited sell offs in equities and commodities alike. Trump's sweeping tariffs have stoked fears over a global trade war and an ensuing economic recession, casting uncertainty over demand for natural gas and carbon permits amid concerns that the tariffs may result in a significant reduction in industrial output. The recent sell off drove EUA's to the lowest level since mid-Oct 2024, marking a 7% week on week decline. Losses were also reflected in a bearish TTF market which saw a massive 10% week on week decline as the carbon/TTF correlation tightened to 0.7. Meanwhile, the spread between EUAs-UKAs narrowed to the lowest level since June 2024 amid greater EUAs losses, while EU-UK ETS relink talk capped UKAs losses. EUA's have gapped lower again this morning as bearish sentiment continues to grip the market. Looking ahead we expect the market to remain reactionary to Tariff retaliations while supply demand movements in the gas market continue to present avenues for volatility as we move into the refuelling season.

**Technical:** Technically bearish, the MA on the RSI is implying that we have light momentum weakness. The RSI is testing support, meaning that is a very minor divergence in play. However, lower timeframe Elliot & wave analysis (based on the move lower from the EUR 70.72 high) is suggesting upside moves should be considered as countertrend, making EUR 70.31 the key resistance to follow. Upside moves this level will warn that the probability of the futures trading to a new low has started to decrease.

DATE	Auction Price	Auction Vol	Cover Ratio	Differential to Spot
31/03/2025	66.80	3,245,500	1.64	-0.14
01/04/2025	66.71	3,245,500	1.55	-0.04
03/04/2025	65.75	3,245,500	1.82	+0.01

NEXT AUCTION: 07/04/2025

### Energy and Price Drivers

Gas TTF Spot (April 25' contract): **EUR 36.401** | APR-25 German baseload power **EUR 67.28 /MWh**

Correlation between EUA/TTF for 30-day weakened last week at 0.7. The EUA/UKA weakened slightly yet remained high at 0.65

### Storage Targets

Europe has seen some early natural gas injections into underground storage as the premium of summer contract prices over the coming winter has narrowed.

Current ongoing negotiations over European gas storage targets suggest that targets could be changed to allow hitting 90% at any time between October 1 and December 1 while also accepting lower levels in some cases to ease market pressure.

European gas stores were 34.76% full on April 5, according to GIE, compared to the previous five-year average of 45.5% with above normal net injection rates so far in April.

### Demand

US tariffs mean a modest rebound in European industrial activity is at risk, with an impact on the use of natural gas in plants and factories, according to ICIS analyst Andreas Schroeder.

He forecasts that West and Central European gas demand in the industrial sector could be reduced by 3.6% for the remainder of 2025 and 2.6% in 2026.

### Weather

CWE Solar is forecast to be between 11-16% load factors, with the lowest solar on 14 April and the highest on 8 and 11 April. Meanwhile CWE wind is forecast to be on a general upward trend until 11 April. temperatures have been revised up between 14-22 April and is seen below average for most days from 22 April.

### Ukraine Peace talks

Russia and U.S. talks surrounding Ukraine peace efforts may continue this week according to Russian President Vladimir Putin's investment envoy Kirill Dmitriev Interfax and Tass reports.

Both Ukraine and Russia continue to accuse one another of strikes on energy sites over the weekend despite the apparent ceasefire – one of the leading factors dampening any hopes of optimism.

### Summary of the Previous Five Days Of Trading

Monday	.....	OPEN: 68.55 CLOSE: 67.08 HIGH: 69.18 LOW: 67.98
Tuesday	.....	OPEN: 67.98 CLOSE: 69.86 HIGH: 70.72 LOW: 67.61
Wednesday	.....	OPEN: 70.00 CLOSE: 68.55 HIGH: 70.35 LOW: 68.16
Thursday	.....	OPEN: 67.46 CLOSE: 66.06 HIGH: 67.48 LOW: 65.63
Friday	.....	OPEN: 66.06 CLOSE: 63.82 HIGH: 66.26 LOW: 62.69

### Commitment of Traders report

INVEST INST.	VOL.	CHANGE	OI
LONG	71,985.50	-10,377.63	11.13%
SHORT	41,707.27	-7,320.60	+6.45%
NET	30,278.23	-3,057.03	-
CREDIT INST.	VOL.	CHANGE	OI
LONG	201,270.53	-8,216.39	31.13%
SHORT	557,415.33	-1,006.12	86.23%
NET	-356,144.78	-7,210.28	-
COMMERCIAL	VOLUME	CHANGE	OI
LONG	298,693.28	+1,357.37	46.19%
SHORT	44,570.91	-7,428.98	+6.89%
NET	254,122.38	+8,786.36	-

Speculator positioning in EU ETS futures on the ICE exchange turned more bearish last week with net long positionings at the lowest since 10 January, the latest COT data as of 28 March showed.

### Options data (Dec 25 contract)

STRIKE	100	90	80
CALL OI	24,985 (-5.48%)	11,373 (0.5%)	21,605 (12.29%)
STRIKE	65	70	75
PUT OI	6,275 (16.74%)	10,425	3,985

Call options saw significant repositioning with open interest declining at the 100 level, instead targeting the 80 call contract which saw a 12.29% increase in OI. On the put side the 65 put contract saw a 16.74% rise as traders increased bearish bets amid a significant drop off in the EUA price.

### IN THE NEWS

Trump's Tariff's have shaken the worlds commodities and equities markets as the world calibrates to a changing economic order. [Impact of Trump tariffs on energy prices](#)

## Contact

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

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

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