

EUA DEC-25 EUR 66.43 0.82%

28/04/2025



SUPPORT: 63.61, 60.30, 56.51 | RESISTANCE: 69.42, 71.20, 74.23

52-Week Hi/Lo:

84.50/71.55

Monthly Hi/Lo: 70.72 - 60.07

Historical Vol: 10-day 31.936 ; 30-day 34.757 ; 50-day 33.472 ; 100-day 32.564

OUTLOOK

Carbon EUA prices edged higher last week with price action remaining somewhat rangebound as the market awaits further geopolitical and economic developments to provide direction. A 90 day postponement of tariffs and a stalling negotiation in Ukraine cast cautious sentiment over near term Carbon prices. The massive implications of Tariffs on global output amid already uncertain economic times have incited fear over industrial output and the prospective demand for Carbon in Europe. The market has increasingly seen global equity markets as a barometer of economic sentiment, with the previously insignificant EUA/EUROSTOXX50 correlation increasing to 0.6 since the start of April. Conversely the gas market has taken a back seat in driving price action, with TTF exhibiting a stronger bearish theme amid muted demand from Asia. However, the European gas market remains in Backwardation (despite a brief reversal following a relaxation of storage targets) following a slow start to the injection season and a diminished prospect of a speedy resolution to the conflict in Ukraine. Looking ahead the bearish theme remains in tact but with technical analysis depicting slowing momentum and the evolving nature of macro factors the possibility of a significant break in trend remains very real.

Technical: Technically bearish, the MA on the RSI is now implying we have light momentum support. However, the futures are trading around the fractal resistance levels from March (highlight be red line on chart) whilst Elliot wave analysis suggests that upside moves should be considered as countertrend. Countering this, we have an inverse head and shoulders pattern on the RSI, supported by high volume on the momentum head (I.E. the market low). Momentum and volume are warning we could move higher, making EUR 69.42 the key resistance to follow. If broken, then the probability of the futures trading to a new low will start to decrease. The wave cycle and the technical are conflicting, with the momentum support with volume means we are leaning towards caution on moves lower.

DATE	Auction Price	Auction Vol	Cover Ratio	Differential to Spot
07/04/2025	65.06	3,245,500	1.50	-0.18
08/04/2025	63.30	3,245,500	1.51	0.06
10/04/2025	63.93	3,245,500	1.58	0.05

NEXT AUCTION: 28/04/2025

Energy and Price Drivers

Gas TTF Spot (MAY 25' contract): [EUR 32.43](#) | APR-25 German baseload power [EUR 78.68 /MWh](#)

Correlation between EUA/TTF for 30-day weakened last week to 0.6. The EUA/UKA tightened to 0.76

Storage Targets

European gas storage was up to 38.41% full on April 26, according to GIE, compared to the previous five-year average of 48.8%. Net injection rates have risen back above normal after a dip to near normal late last week.

Demand

reaching the lowest since July at €31.945/MWh last week amid steady LNG imports and muted demand in Asia and rising Norwegian outages, while uncertainty still surrounds global demand amid ongoing US trade negotiations. Norwegian pipeline supplies to Europe are at 323.8mcm/d today. Gassco shows capacity reductions of 14.6mcm/d today, rising to 28.2mcm/d tomorrow and reaching 71.2mcm/d on May 3.

Weather

CWE wind is forecast to range between 7-14% load factors over 29 April-2 May, with forecast mostly revised up over the period. The latest month-ahead ECMWF weather forecast for NW Europe has revised down between 4-24 May and suggested mean temperatures is seen below average from 3 May. CWE Solar is forecast to be on steady decline over 29 April- 2 May to start at a 19% load factor and end at a 16% load factor.

EUA/Equity correlation

The recent volatility in global equity markets, arising as a consequence of the Trump administrations unilateral imposition of global Tariffs, has become a key driver of price in the European Carbon market as the EUA/EUROSTOXX correlation now stands at a significant 0.56, having reversed from a slightly negative correlation in February.

TTF Options expiry

A total of 485k of open ICE TTF gas May 25 options contracts are due to expire against the May futures close today. Aggregate open interest is 273k call contracts and 212k puts.

The aggregate call options open interest across all expiries has fallen from the record levels seen last month back to 1.53m while aggregate put interest has also dropped to 1.19m.

About 15.5k of puts and just over 9k of May calls currently sit above the market at the €35/MWh strike while 8k of put sit at €33/MWh and 17k of puts are at €30/MWh.

Summary of the Previous Five Days Of Trading

MondayOPEN: 65.89 CLOSE: 65.89 HIGH: 65.89 LOW: 65.89

TuesdayOPEN: 65.10 CLOSE: 64.39 HIGH: 65.94 LOW: 63.61

WednesdayOPEN: 64.80 CLOSE: 66.90 HIGH: 67.30 LOW: 64.80

ThursdayOPEN: 66.52 CLOSE: 66.31 HIGH: 66.69 LOW: 64.75

FridayOPEN: 66.46 CLOSE: 66.43 HIGH: 67.63 LOW: 66.24

Commitment of Traders report

INVEST INST.	VOL.	CHANGE	OI
LONG	54,315.73	-4,771.91	8.37%
SHORT	51,034.17	+7,729.25	+84.07%
NET	3,281.56	-12,501.16	-
CREDIT INST.	VOL.	CHANGE	OI
LONG	205,260.56	+15,457.96	31.64%
SHORT	543,556.10	+14,674.31	84.07%
NET	-338,295.56	+783.66	-
COMMERCIAL	VOLUME	CHANGE	OI
LONG	311,905.30	18,283.24	48.09%
SHORT	49,957.91	+6,472.01	+7.73%
NET	261,947.41	+11,811.25	-

Speculator positioning in EU ETS futures on the ICE exchange turned more bullish in the week to 17 April, after speculators cut bullish bets for three consecutive weeks prior.

Options data (Dec 25 contract)

STRIKE	100	90	80
CALL OI	24,400 (-2.34%)	10,448 (-7.78%)	18,565 (-14.07%)
STRIKE	65	70	75
PUT OI	6,375(1.5%)	11,429(9.63%)	3,985

Open interest on call options such dramatic reductions at the key 100, 90 and 80 levels as a bearish trend remains in place. Meanwhile Open interest on Put contracts remained relatively unchanged.

IN THE NEWS

ICE are releasing EU ETS 2 Futures in July. For more information on the Futures click here: [E24026_attach.pdf](#)

For more information on the EU ETS2 as a whole: [What is Europe's New Carbon Market, Breaking Down the EU ETS2 - Climate Market Now](#)

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