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worldwide,
EEX Group connects
over 600 participants
from 36 countries.

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EEX Group Online Conference Environmental Markets Update

Leipzig, 07/09/20

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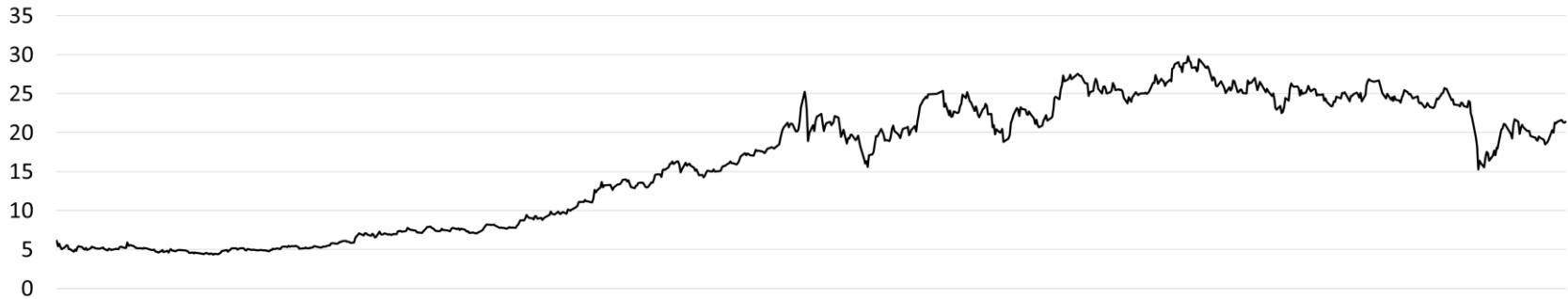
› nodalclear

› grexel

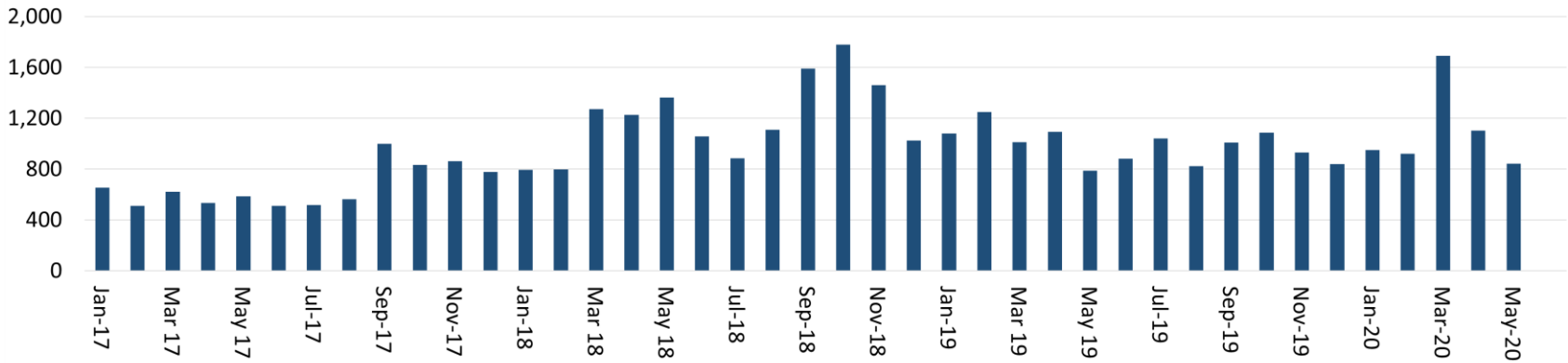
› pxe

Overall Volume and Price Development

EUA in EUR



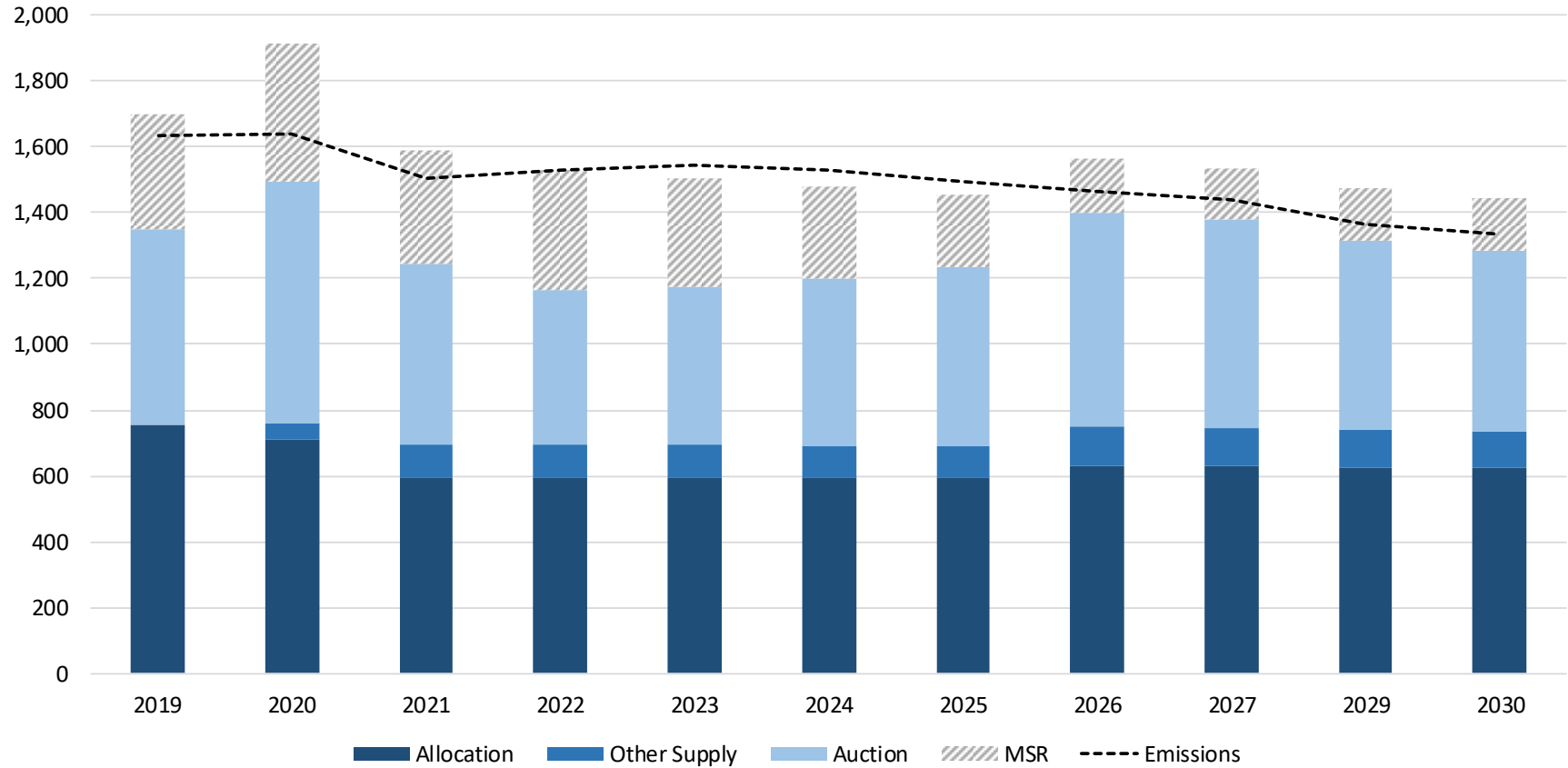
Monthly volume in mio. tons



- Overall trading volumes in secondary market in Jun19 – May20: -14% compared to Jun18 – May19

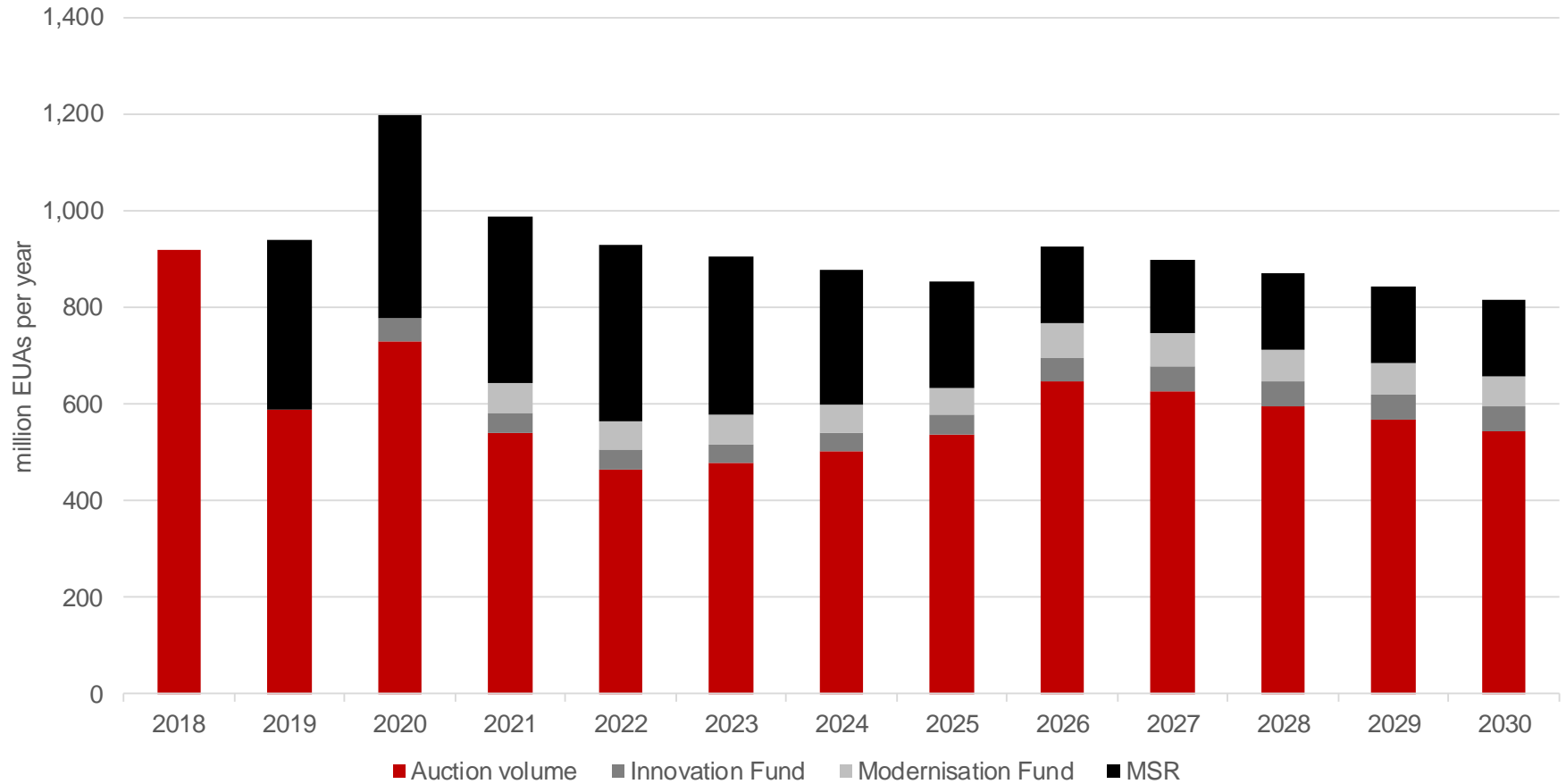
Fundamentals

Volume (mtons)



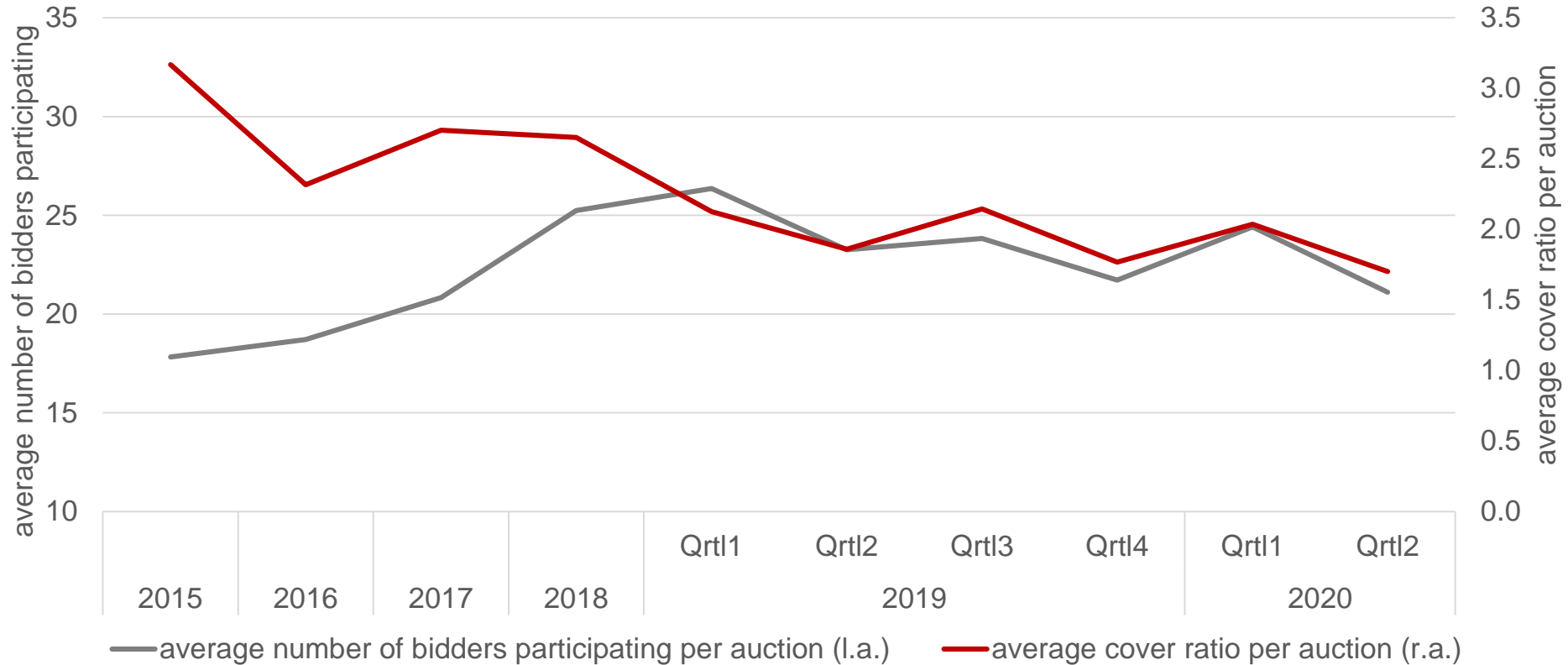
■ MSR is cutting **auction volume** by ~3,106m EUAs (2019-2030)

Auction Statistics (1/2)



- Significantly **reduced supply** through Market Stability Reserve (MSR)
- Almost **daily auctions** at EEX
- EEX successfully conducted more than 1,900 auctions

Auction Statistics (2/2)



- **Reliable auctions** despite Covid-19 crisis
- Number of **admitted participants** for auctions at **record high** of 91
- **Several options** for direct or indirect **access** available ([link](#))

Auction Calendars

2020

- Update published on 1 July 2020 ([link](#))
- Included **50 million allowances** for **Innovation Fund** as of 16 July 2020
- Deducted ~ **98 million allowances** in the period September 2020 to December 2020 for the **MSR**

2021

- Calendars for general and aviation allowances planned to be published in the **autumn of 2020** (depending on the coordination with the involved authorities)

Innovation Fund and Modernisation Fund

Innovation Fund

- What? Auctioning of 450 million allowances from 2020 to 2030 as well as any unspent funds from the NER300 programme
- Why? To support clean innovative technologies
- For whom? Varied projects via application process
- https://ec.europa.eu/clima/policies/innovation-fund_en

Modernisation Fund

- What? auctioning of 2% of the total allowances for 2021 to 2030 of EU ETS as well as additional allowances from beneficiary Member States
- Why? To support 10 lower-income EU Member States in their transition to climate neutrality
- For whom? Bulgaria, Croatia, Czechia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania and Slovakia
- https://ec.europa.eu/clima/policies/budget/modernisation-fund_en

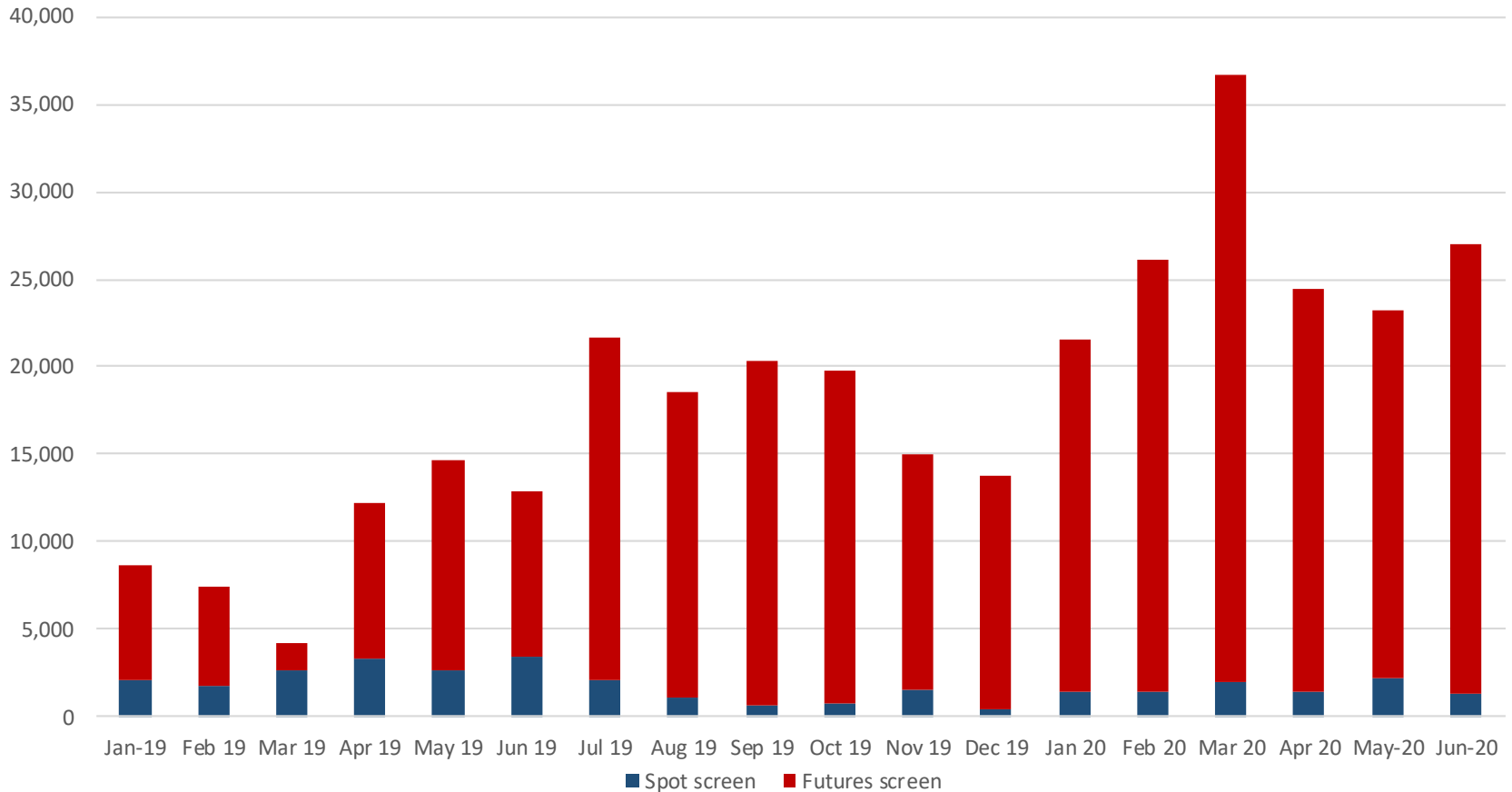
Phase 3 / Phase 4 transition

- **Phase 4** of the EU ETS starts in January **2021**
- Phase 4 allowances **cannot** be used for compliance for 2020 (due in April 2021)

- Primary market:
 - Auction platforms will auction Phase 3 allowances until the last auction in December 2020
 - Auction platforms will auction **Phase 4 allowances starting with the first auction in January 2021**

Spot & Futures Trading Volumes

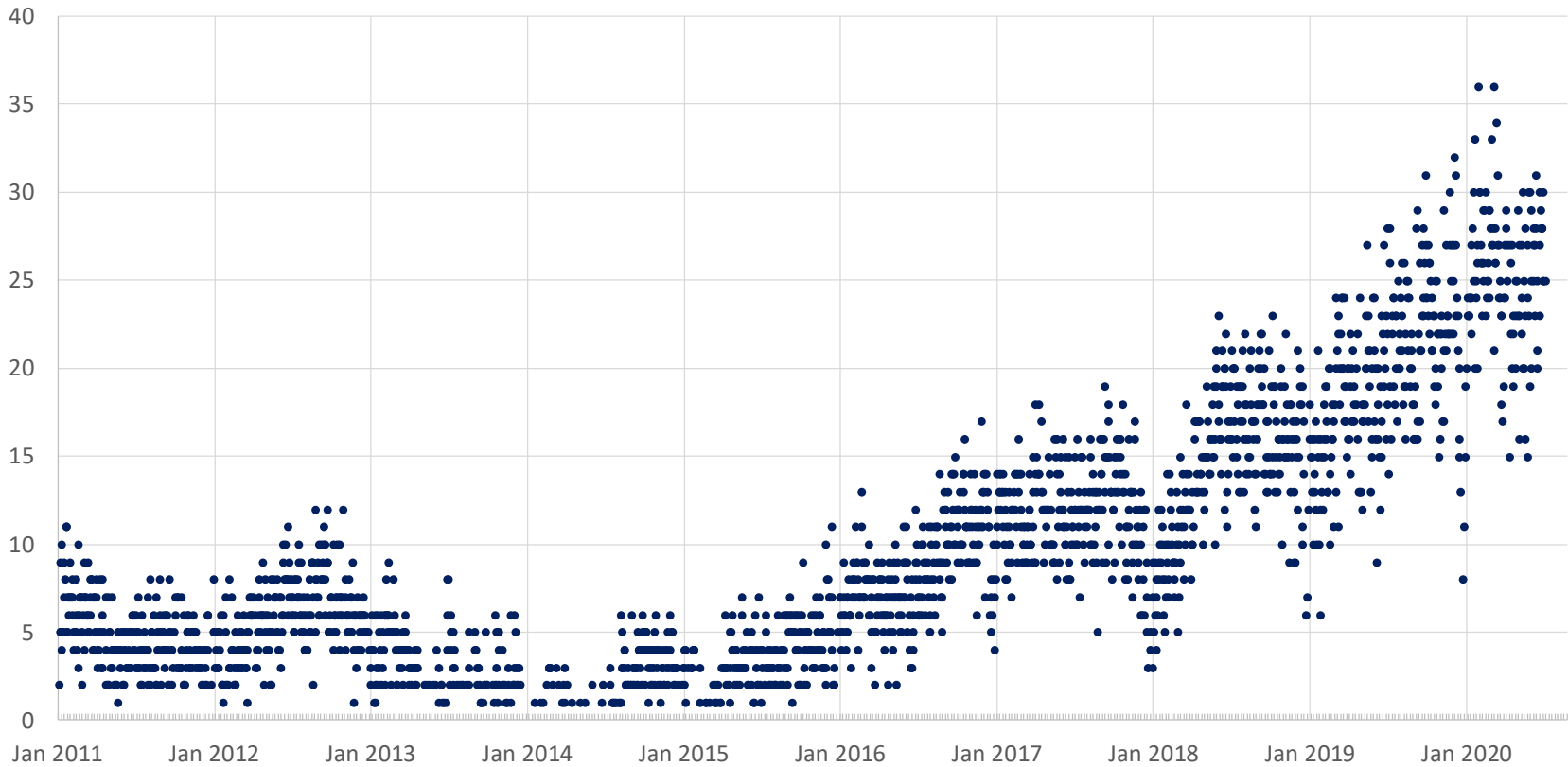
Volume in ktons



- **Growing futures orderbook volumes**

Activity in Futures Orderbook

Participants

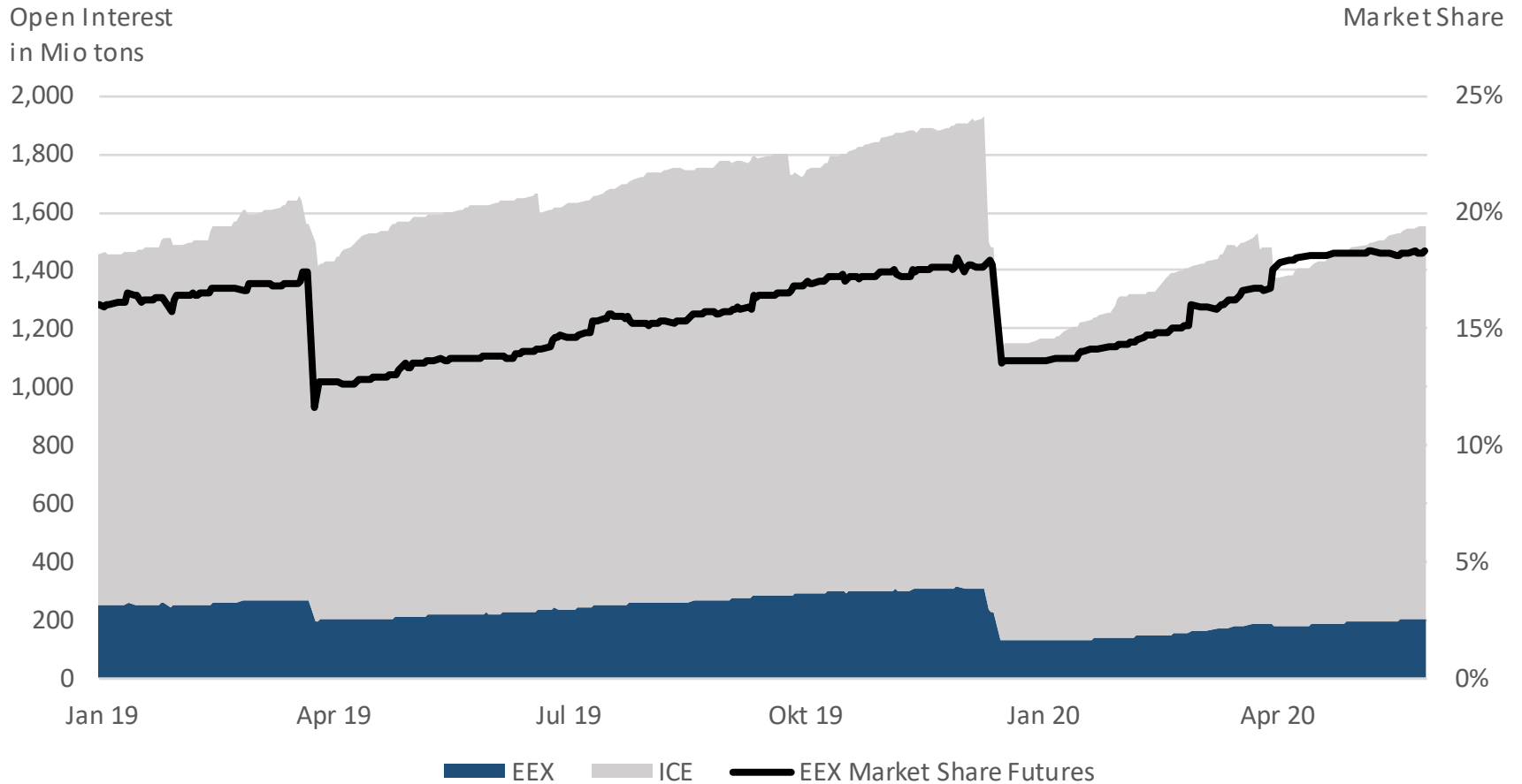


- Strong increase of activity in **futures orderbook**

Orderbook

Contract	Settle	Last	NetChg	Vol	WrkBuys	ImpBidQty	BidQty	Bid	Ask	AskQty	ImpAskQty	WrkSells	ExpDate
<i>Spot and Spot-Future-Spreads</i>													
▣ EUA Spot	29.63	29.44	-0.19	11		11	16	29.44	29.49	1	1		20Dec21
▲									29.51	25			
▼									29.59	25			
▣ EUA Spot-EUA Dec20 Inter-f		-0.08		6			50	-0.10	-0.07	45			14Dec20
▣ EUA Spot-EUA Mar21 Inter-f				0		5	5	-0.25	-0.09	10	10		22Mar21
▣ EUA Spot-EUA Dec21 Inter-f				0		5	5	-0.46	-0.34	2	2		20Dec21
▣ CER Spot	0.30			0			10	0.28	0.32	5			20Dec21
▣ EUAA Spot	28.81			0									20Dec21
<i>Outrights</i>													
▣ EUA Dec20	29.69	29.58	-0.11	222			11	29.54	29.56	1			14Dec20
▲							7	29.53	29.57	6			
▼							10	29.51	29.58	18			
							12	29.25	29.59	16			
							10	28.98	29.60	10			
							10	28.97	29.65	5			
▣ EUA Mar21	29.76	29.55	-0.21	20		11	11	29.61	29.64	1	1		22Mar21
▲							10	29.60	29.69	10			
▼							10	28.80	33.00	10			
▣ EUA Dec21	30.00	29.79	-0.21	22		11	13	29.85	29.88	1	1		20Dec21
▣ EUA Dec22	30.43	30.21	-0.22	6		11	11	30.26	30.30	1	1		19Dec22
▣ EUA Dec23	30.90			0		11	11	30.70	30.78	1	1		18Dec23
▣ EUA Dec24	31.38			0		11	36	31.14	31.27	1	1		16Dec24
▣ EUA Dec25	31.94			0			25	31.59	31.87	26	1		15Dec25
▣ EUA Dec26	32.40			0		10	10	31.34	32.46	1	1		14Dec26
▣ EUA Dec27	32.86			0									20Dec27
▣ EUA Dec28	33.32			0									18Dec28

Open Interest



- **EEX futures market share** by open interest in **May20: 18%**

Latest & coming improvements at EEX

Recent enhancements

EUA options, changed exercise setup (auto exercise)

EUA options, early expiry

Planned changes

Trading Period 3 to 4 transition

Global Environmental Markets

North America

- Market successfully introduced in Nov´2018
- Offering covers physical deliverable futures and option contracts for Carbon Emissions Allowances (California, RGGI), Renewable Energy Certificates, SO₂/NO_x Allowances, Renewable Fuel Credits

Apart from carbon markets in Europe and North America, EEX is actively monitoring market developments in other countries and sectors, with a view to further expand its offering over time, for example...

China

- Introduction of national ETS in China further delayed due to Corona situation
- EEX is ready to support this new market, whenever starting conditions are in place – together with our local cooperation partners (carbon exchanges in Beijing, Guangzhou, Shanghai)

New Zealand

- Major revision of NZ ETS will take effect as of 2021
- EEX cooperates with local provider New Zealand Exchange (NZX), assessing different options for NZ carbon market

Trade with us.

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