



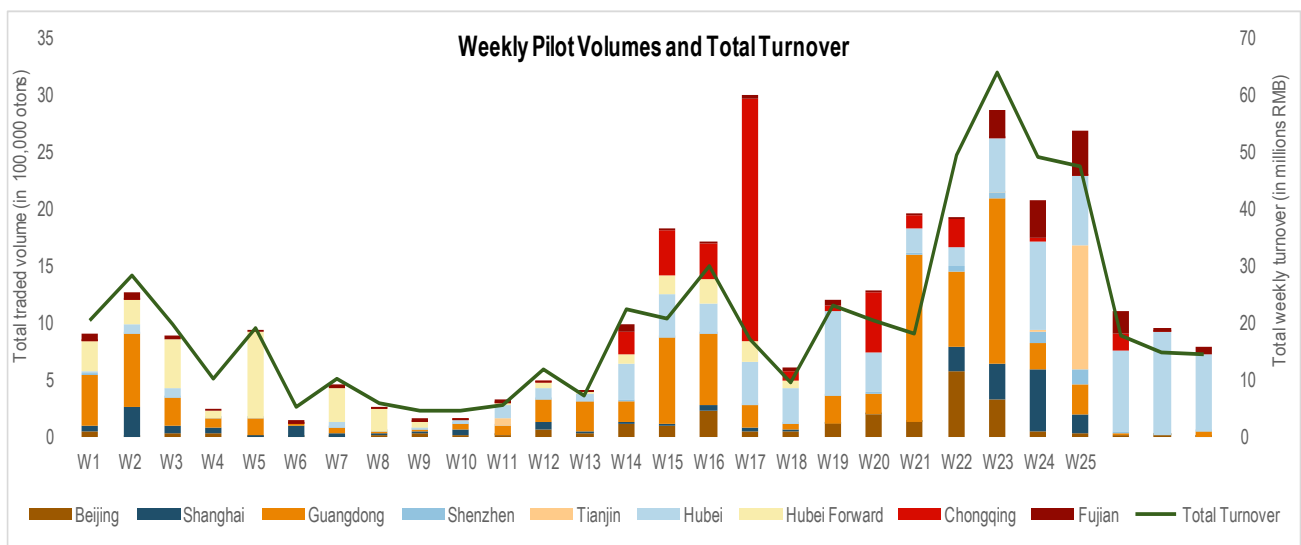
# Weekly Carbon Review

July 24, 2017

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## Summary

Market	Item	Observations
<a href="#">Beijing</a>	Price	Y50.60
	Volume	2 tons
<a href="#">Shanghai</a>	Price	Y35.00
	Volume	10 tons
<a href="#">Guangdong</a>	Price	Y11.08
	Volume	36,988 tons
<a href="#">Shenzhen</a>	Price	Weighted average rises to Y29.51
	Volume	1,433 tons
<a href="#">Tianjin</a>	Price	Y8.51
	Volume	No trading reported
<a href="#">Hubei</a>	Price	Spot – Y13.16
	Volume	Spot – 684,204
<a href="#">Chongqing</a>	Price	Y1.77
	Volume	183,737 tons
<a href="#">Fujian</a>	Price	Y31.81
	Volume	70,888 tons
<a href="#">Sichuan</a>	Price	Y10
	Volume	No trading reported on exchange
<a href="#">CCERs</a>	Price	Beijing CCER – Y17.95
	Volume	249,362 tons

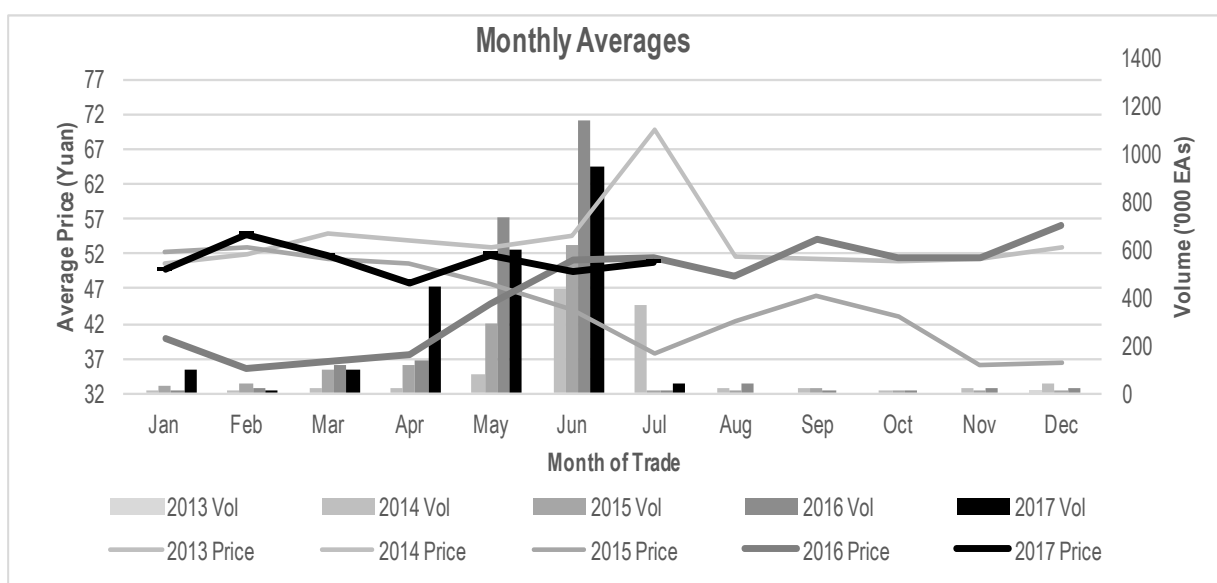
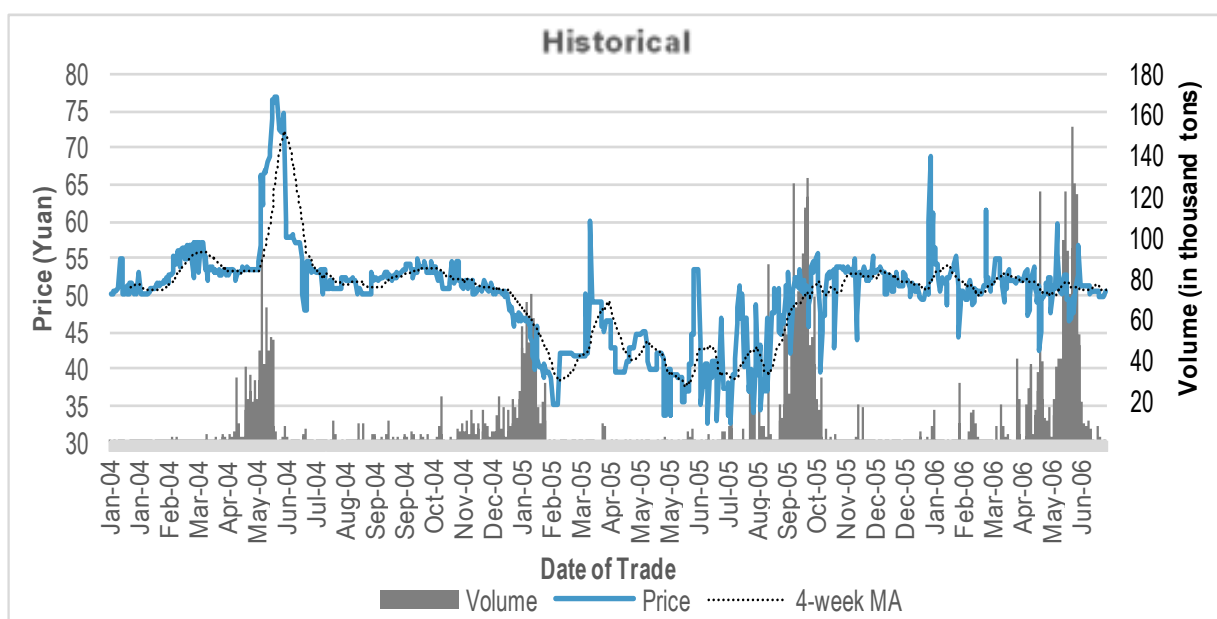


## Allowance Markets

### Beijing (BEA)

Prices		
Date	Settle	Δ
July 21, 2017	50.60	-
July 14, 2017	49.98	-0.62
July 7, 2017	50.60	0.00
Spot Volumes		
July 10 - July 14	2	
4-week average	2,687	
12-week average	128,618	
52-week average	44,898	

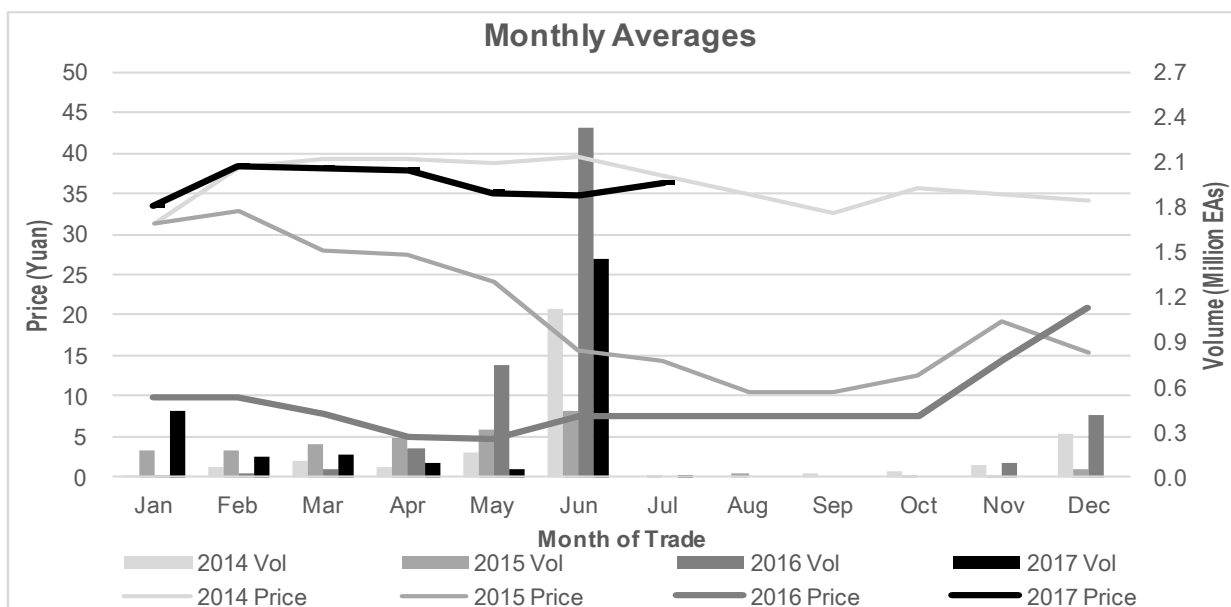
As expected, the Beijing market is off to a slow start trading just 2 tons on Wednesday at Y50.60. BEA prices have shown an incredible run of stability sticking close to Y50 mark despite compliance pressure coming and going, and the pilot currently shows no indication of changing trends as the market progresses forth with a quiet start to the compliance year.



Prices		
Date	Settle	Δ
July 21, 2017	35.00	-
July 14, 2017	36.36	+1.36
July 7, 2017	36.38	+1.38
Spot Volumes		
July 17 - July 21	10	
4-week average	9,174	
12-week average	125,034	
52-week average	61,667	

### Shanghai (SHEA)

The Shanghai carbon market predictably remained inert this week. The total weekly volume was 10 tons while the market closed at Y35.00, a 3.74% decrease as compared to the last week's closing price. After Shanghai's compliance surrender, the pilot has diligently maintained prices in the Y35-Y37 range with the total weekly traded volume seeing a massive decline. This trend is expected to continue in the next few weeks till the market resumes active trading.

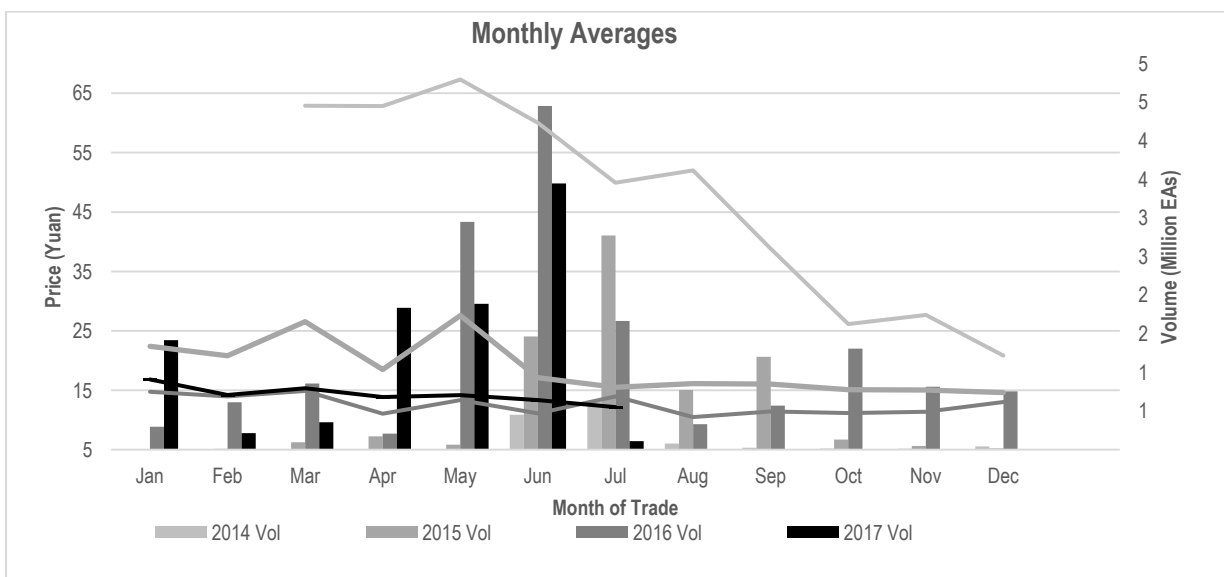
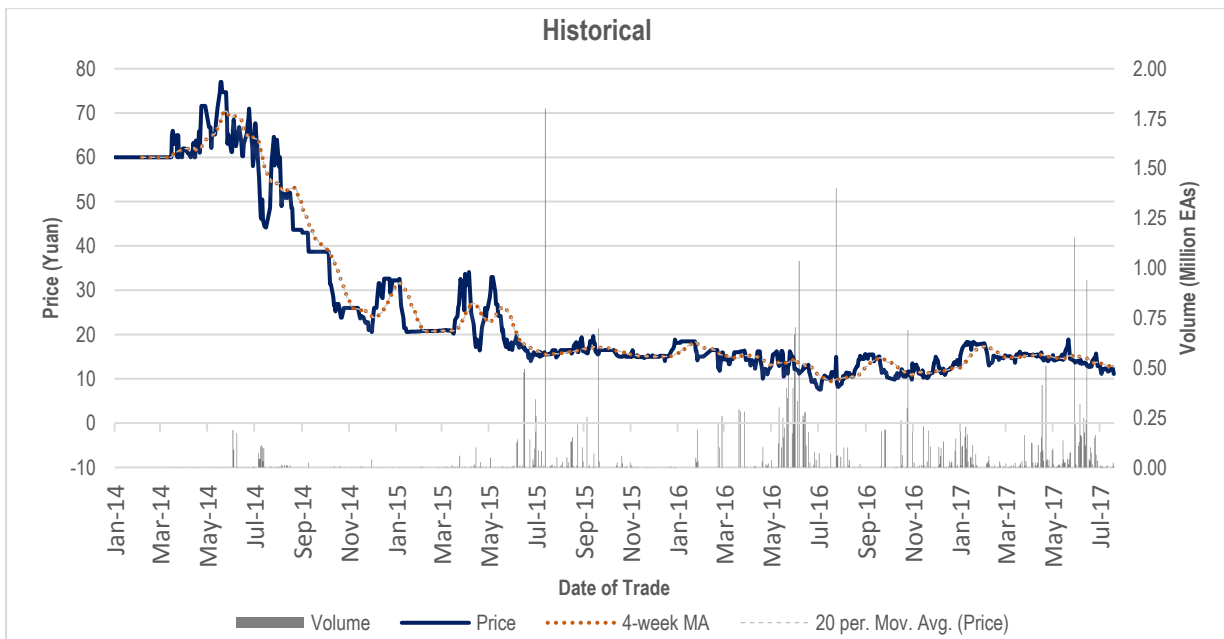


Prices		
Date	Settle	Δ
July 21, 2017	11.08	-
July 14, 2017	11.66	+0.58
July 7, 2017	12.00	+0.92
Spot Volumes		
July 17 - July 21	36,988	
4-week average	27,255	
12-week average	453,662	
52-week average	281,395	

## Guangdong (GDEA)

The GDEA prices remained between Y11 and Y12 last week with the market closing at Y11.08. Prices rose by 4.9% while the weekly traded volume almost doubled as compared to last week.

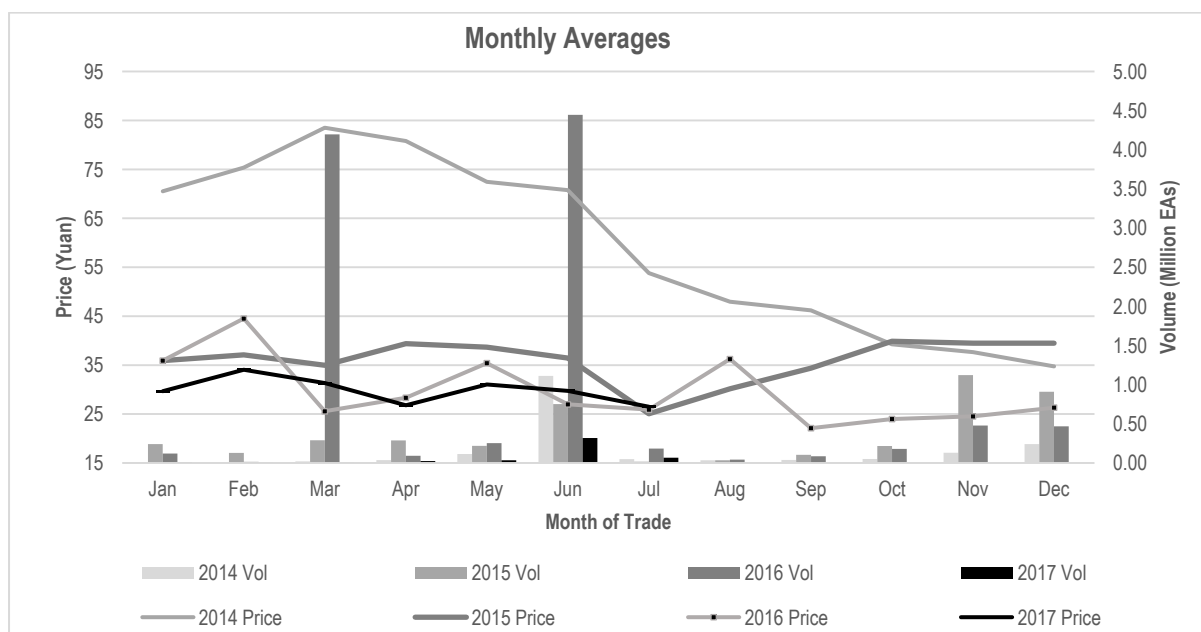
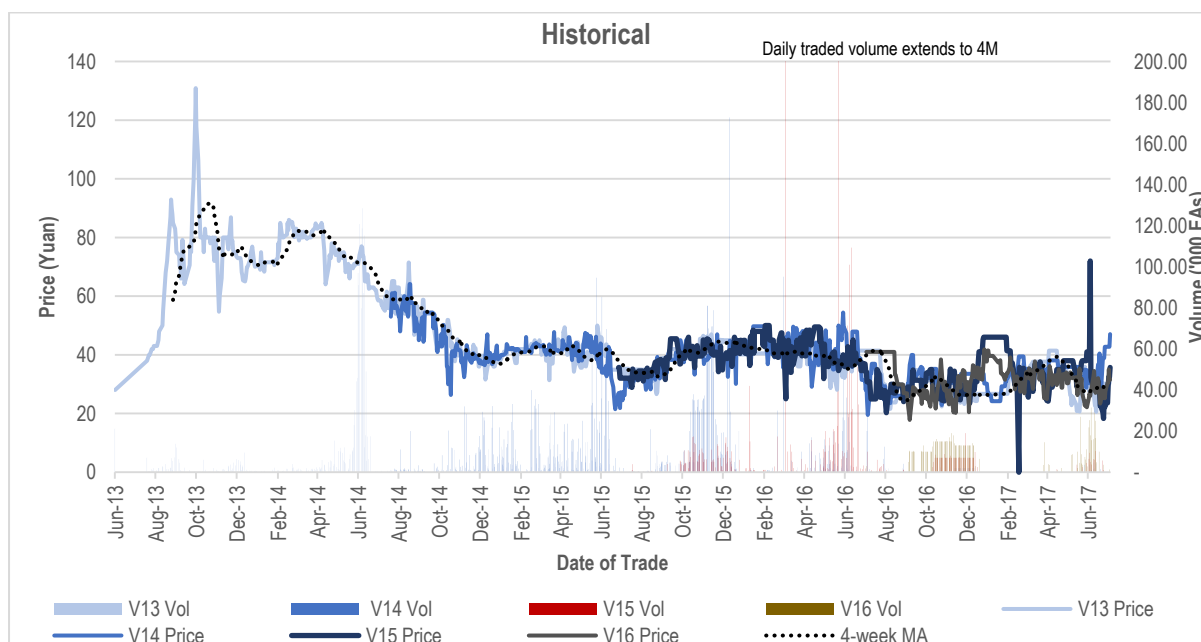
Unlike the other pilots after compliance, Guangdong has remained fairly energetic albeit the weekly total volume has plummeted to five-digit figures as compared to the regular 100,000's pre-compliance.



Prices (Volume-weighted average)		
Date	Settle	Δ
July 21, 2017	29.51	-
July 14, 2017	21.97	-7.54
July 7, 2017	26.39	-3.12
Spot Volumes (All vintages)		
July 17 - July 21	1,433	
4-week average	6,015	
12-week average	35,011	
52-week average	35,229	

## Shenzhen (SZA)

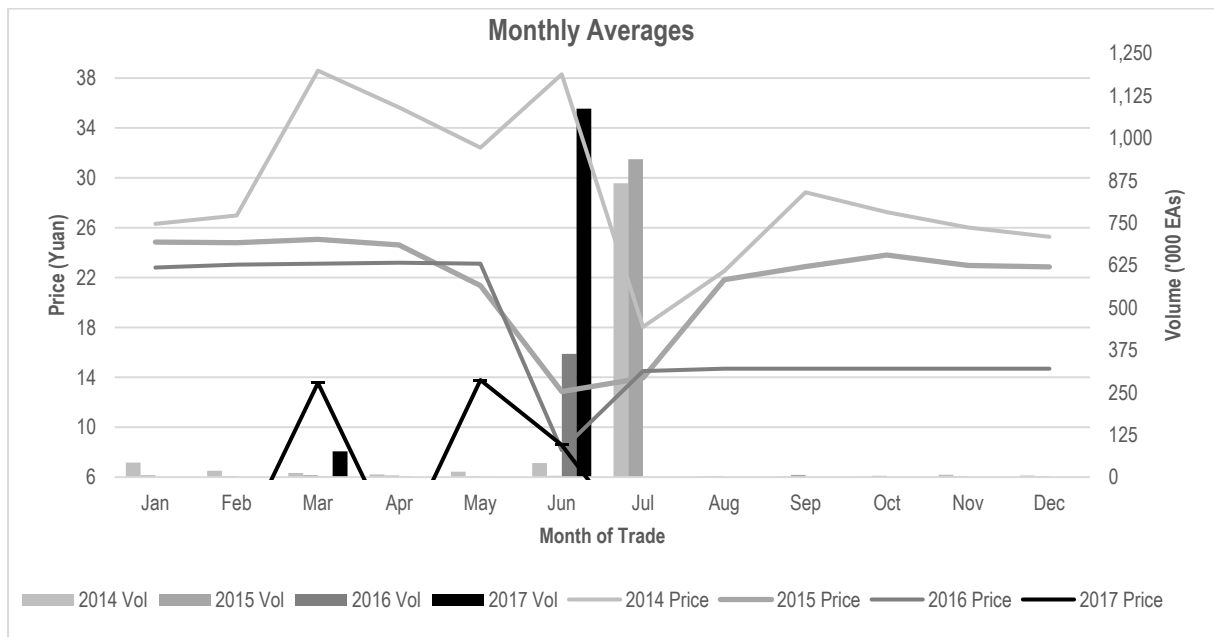
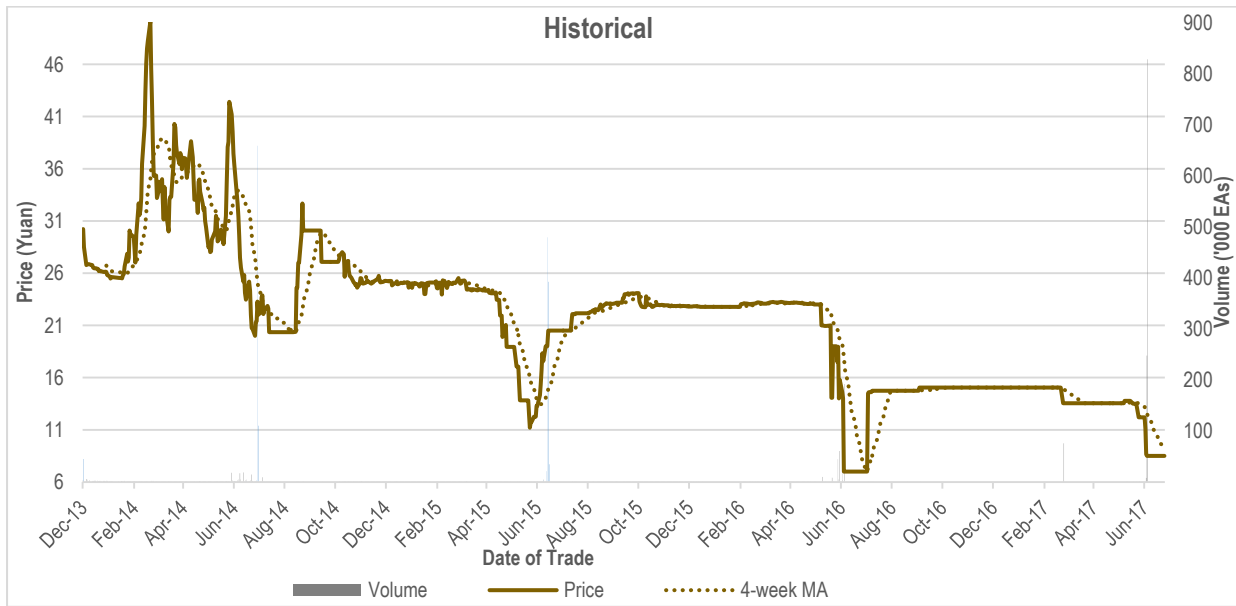
In the Shenzhen carbon market this week, the volume weighted price average perilously rose to Y29.51, a 34.3% increase as compared to last week's price. This can be explained by a 13.78% rise in the V16 price as the V16 volume accounted for 92.25% of the total volume. The total weekly volume was 1,433 tons, sharply deviating from the previous two weeks' trading between 11,000-12,000 tons.



## Tianjin (TJEA)

Prices		
Date	Settle	Δ
July 21, 2017	8.51	-
July 14, 2017	8.51	0.00
July 7, 2017	8.51	0.00
Spot Volumes		
July 17 - July 21	0	
4-week average	271,247	
12-week average	90,530	
52-week average	22,364	

No trading was reported in Tianjin for a third consecutive week, as the market remained completely dormant since the end of its compliance. The last activity to be reported in Tianjin was just before its compliance surrender, when it traded over one million tons in a single week.

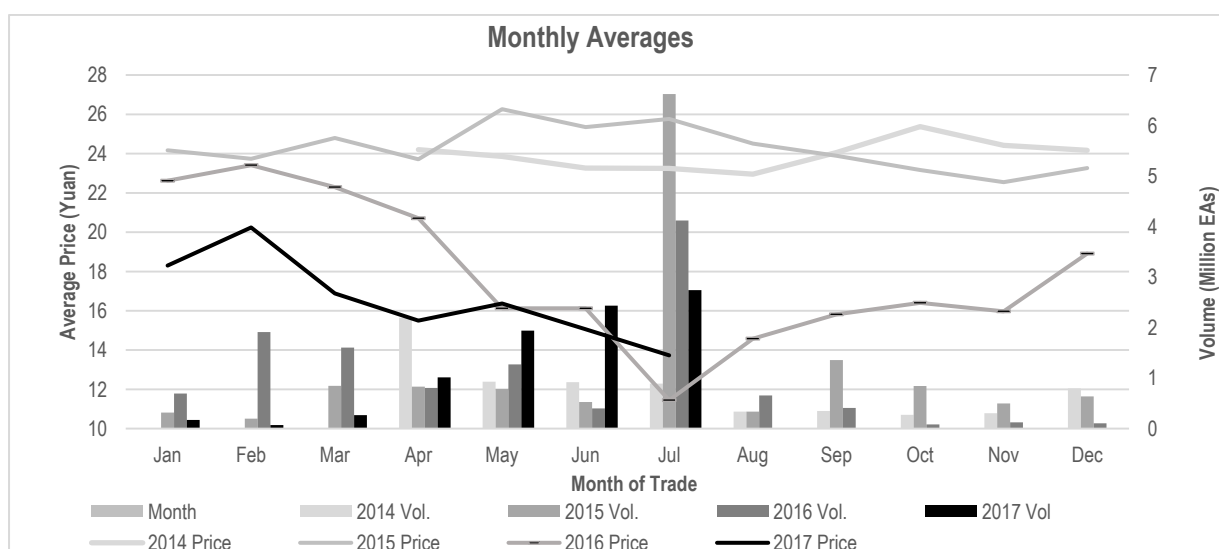
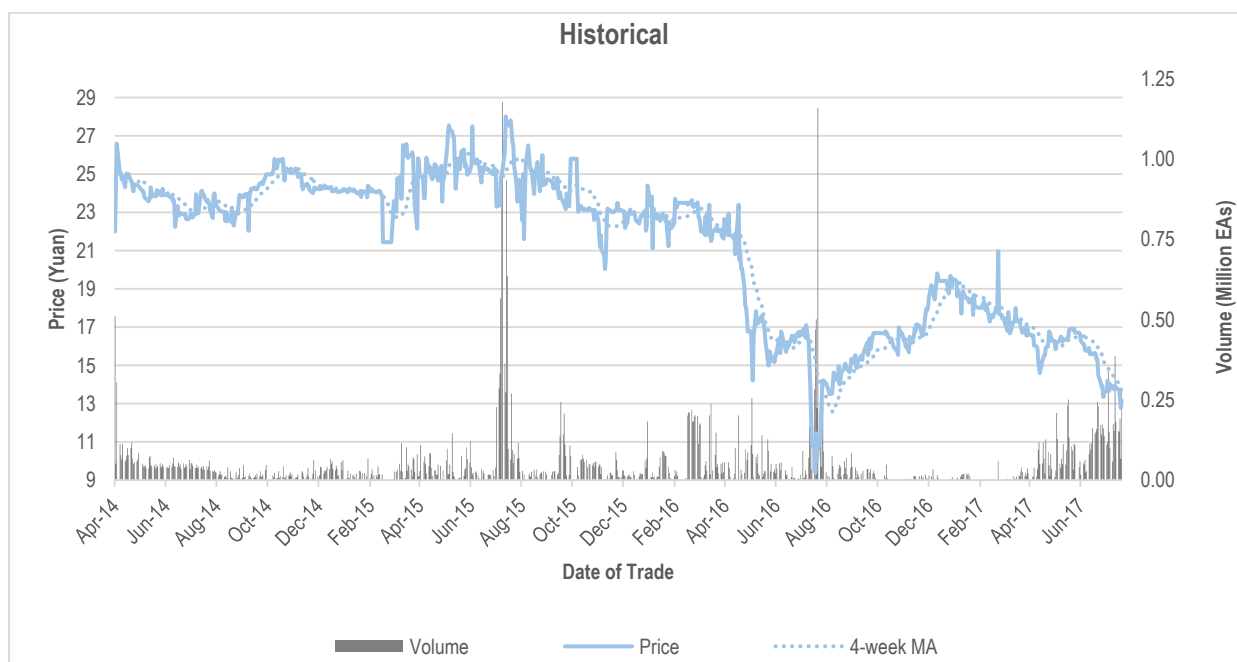


## Hubei (HBEA)

Prices (Spot)		
Date	Settle	Δ
July 21, 2017	13.16	-
July 14, 2017	13.82	+0.66
July 7, 2017	14.03	+0.87
Volumes (Spot)		
July 17 - July 21	<b>684,204</b>	
4-week average	726,101	
12-week average	593,123	
52-week average	260,778	

The HBEA spot traded a total of 684,204 tons over the last week with the total traded volume over the past month exceeding 3 million tons. Compared to other pilots, Hubei trades robustly through the year, however, the highest volumes are traded in July which accounted for 28.4% of the volume traded last year and 54.3% before that.

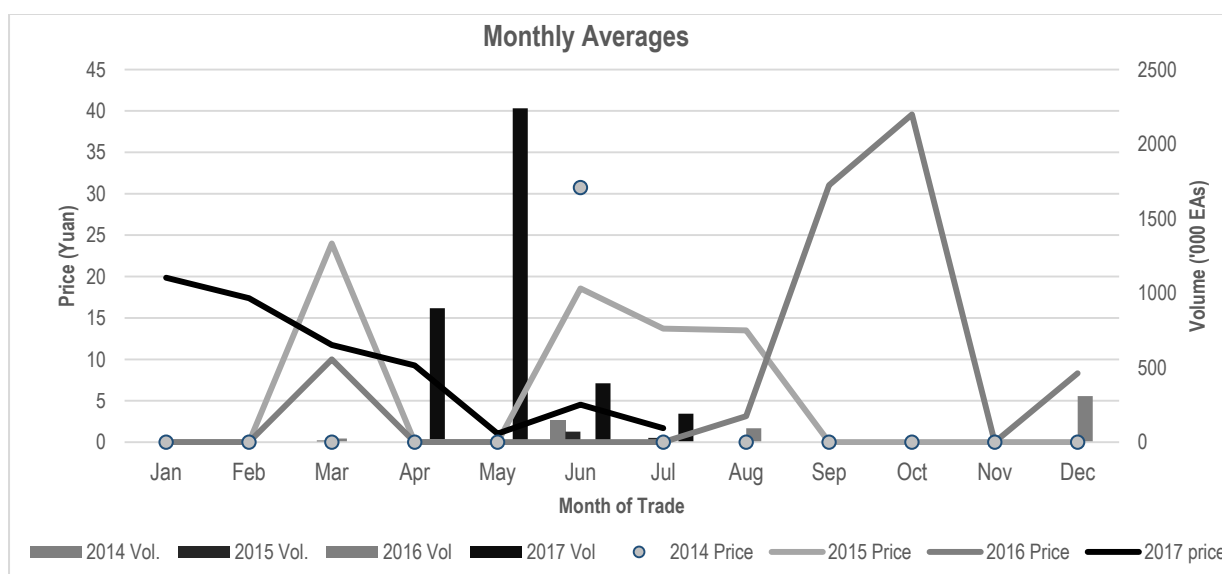
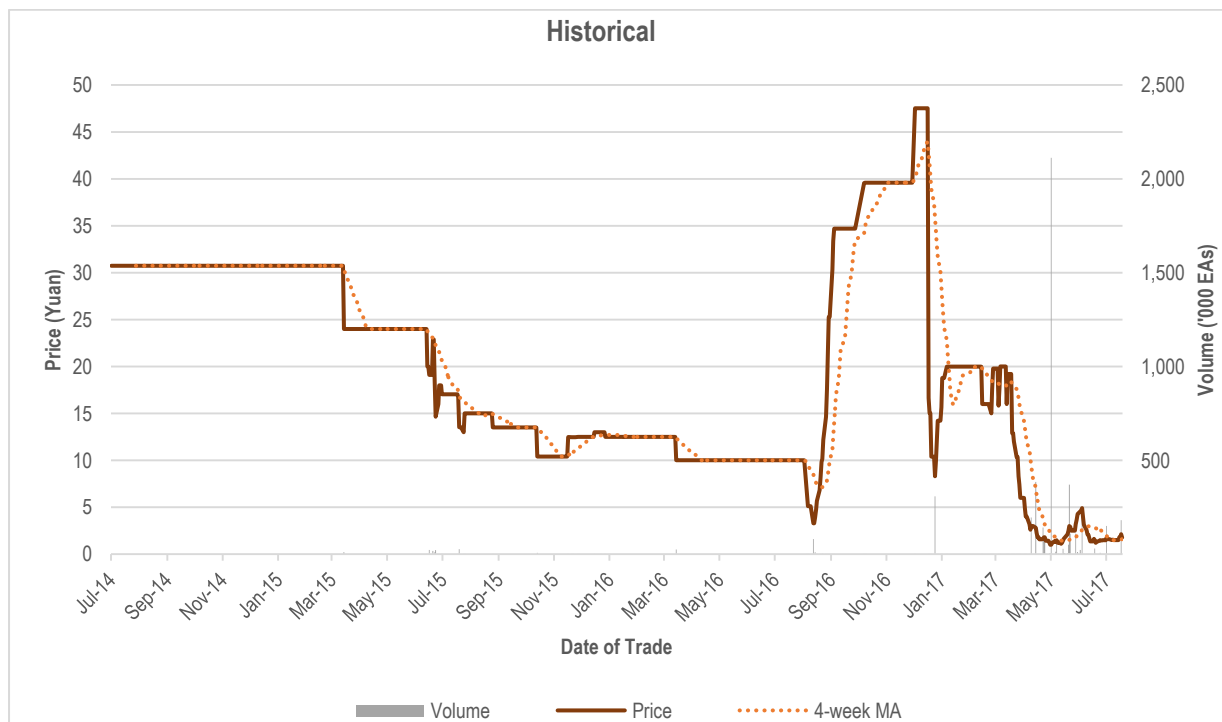
Due to verification delays, Hubei has postponed its 2016 compliance deadline allowing compliance entities more time to assess their positions.



## Chongqing (CQEA)

Prices		
Date	Settle	Δ
July 21, 2017	1.77	-
July 14, 2017	1.50	-0.27
July 07, 2017	1.60	-0.17
Volumes		
July 17 - July 21	183,737	
4-week average	83,765	
12-week average	295,277	
52-week average	93,200	

CQEA prices oscillated between Y1.50 to Y2.12 this week as the market closed at Y1.77, an 18% rise on a week-on-week basis. The weekly traded volume saw a mammoth increase to 183,737 tons after the previous week's meagre 300 tons. With the compliance surrender demand passing, it is highly improbable that prices could make any comeback in the short-term future.

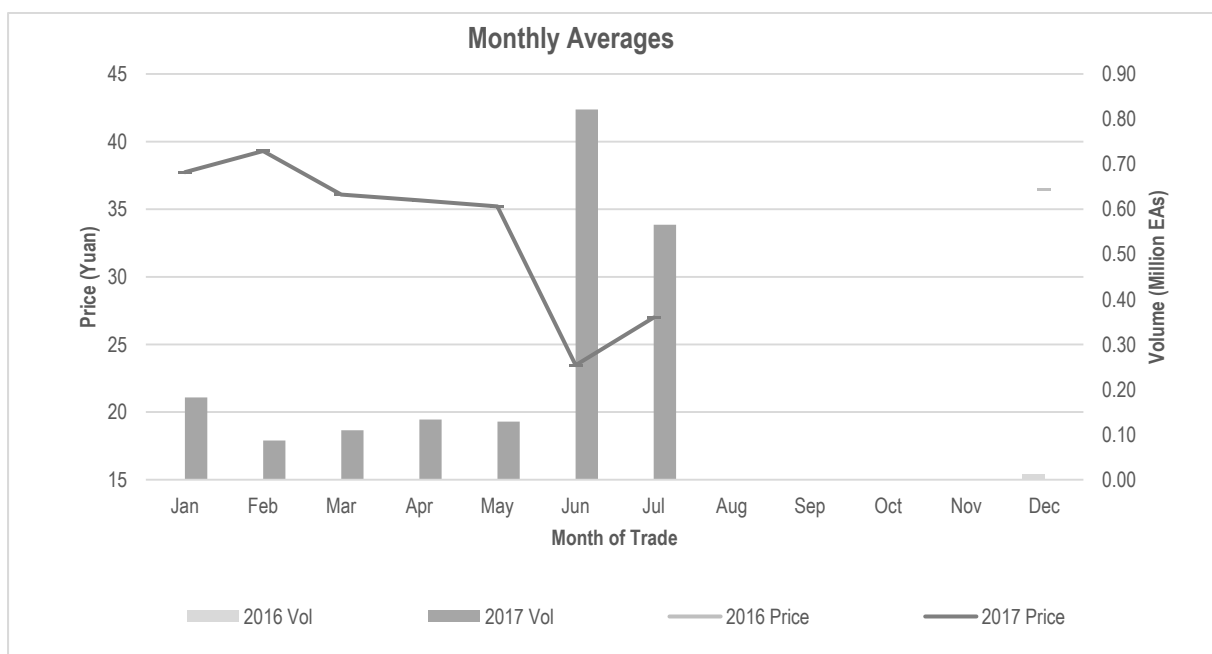
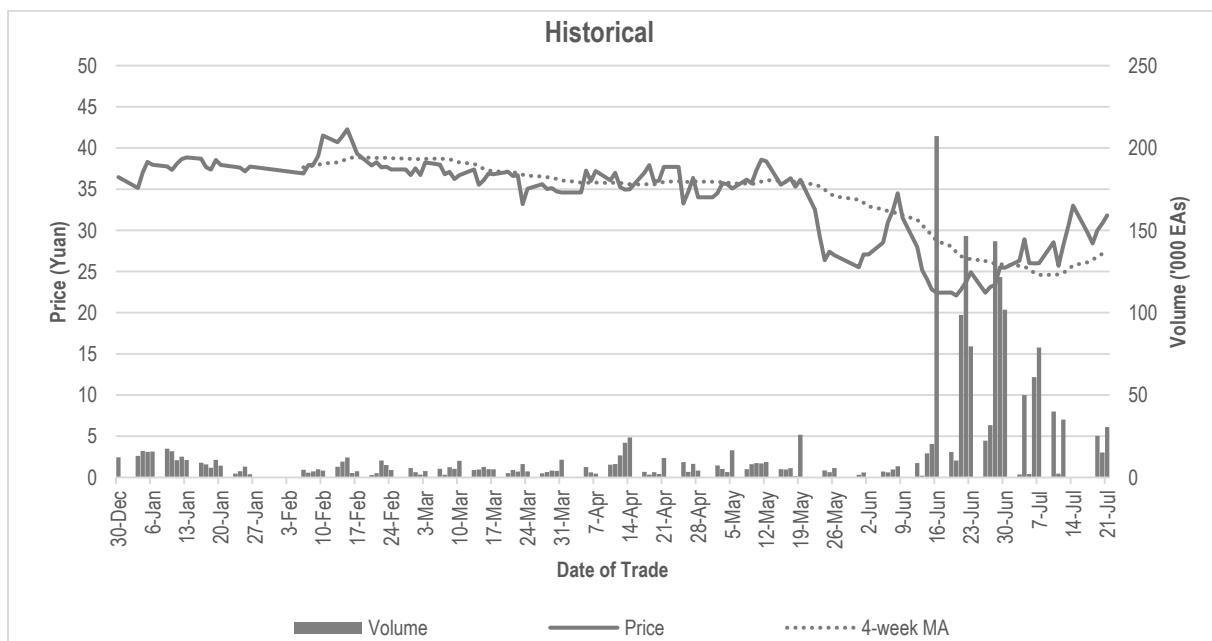




Prices		
Date	Settle	Δ
July 21, 2017	31.81	-
July 14, 2017	33.00	+1.19
July 7, 2017	26.01	-5.80
Volumes		
July 17 - July 21	70,888	
4-week average	177,236	
12-week average	126,288	
52-week average	-	

## Fujian (FJEA)

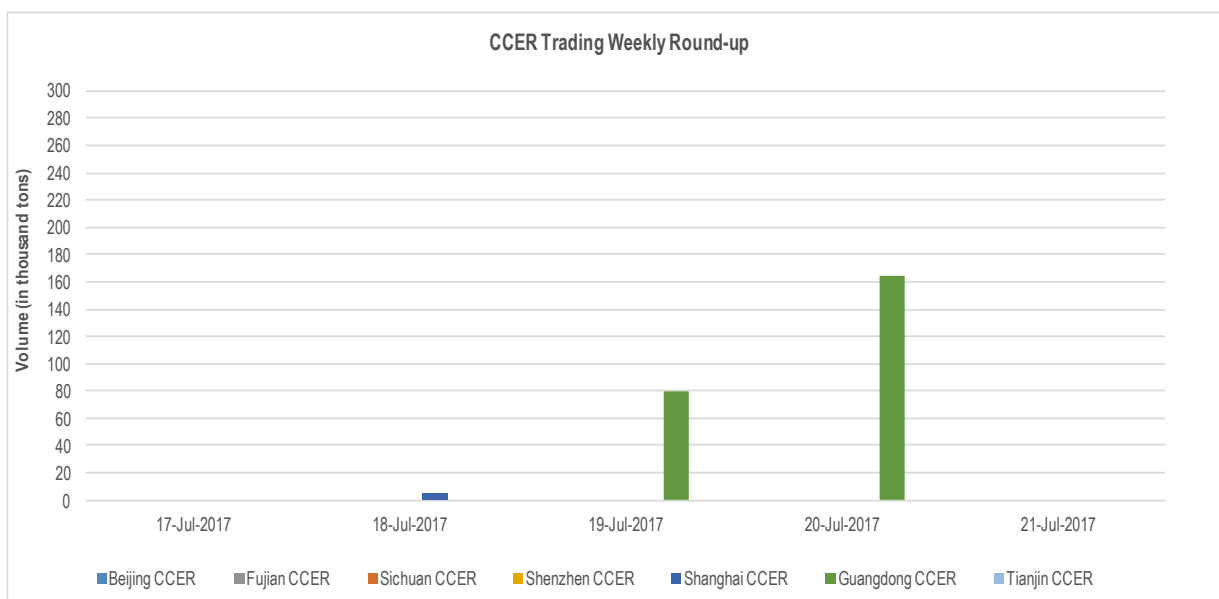
Fujian traded 70,888 tons this week, experiencing a 47.13% increase compared to the previous week's volume. After the FJEA price dipped to Y28.41 on Tuesday, prices rose steadily till the market closed at Y31.81. The Fujian Development and Reform Commission reported that since its inception in December to 7 July 2017, Fujian has traded 4.016 million tons with the total turnover racking up to Y105.62 million.



## sCCERs

CCER	
Pilot	Weekly Volume
Beijing	0
Shanghai	5,000
Guangdong	244,362
Shenzhen	0
Tianjin	0
Sichuan	0
<b>Total</b>	<b>249,362</b>

The total weekly volume has witnessed a harsh 69.44% decline compared to the previous week's volume as demand from Beijing, Shenzhen, Tianjin and Sichuan faded. Guangdong accounted for 97.8% of this week's total volume while the majority of the traffic was constituted by a single 164,362 tons transaction.



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