

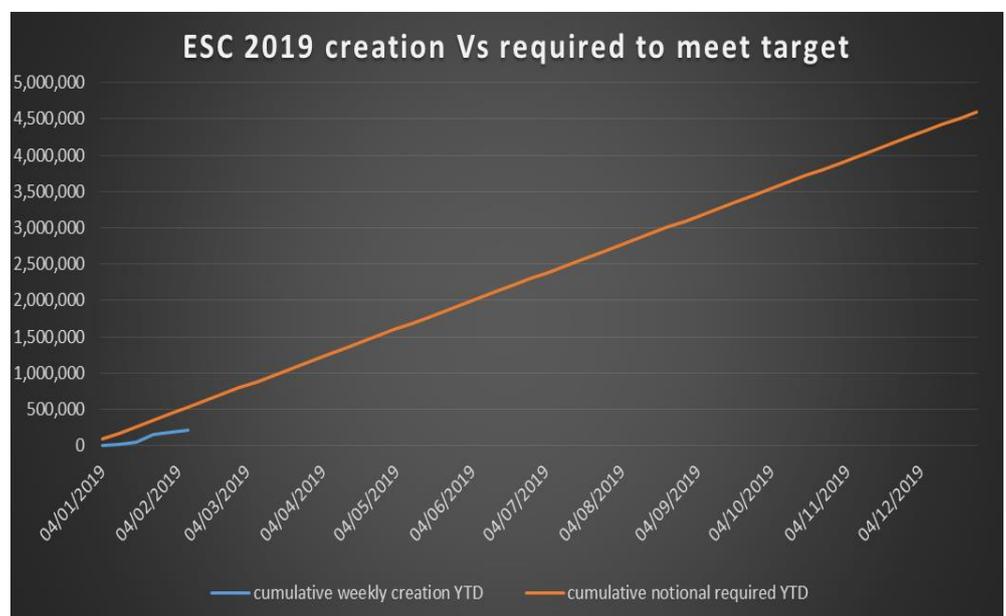
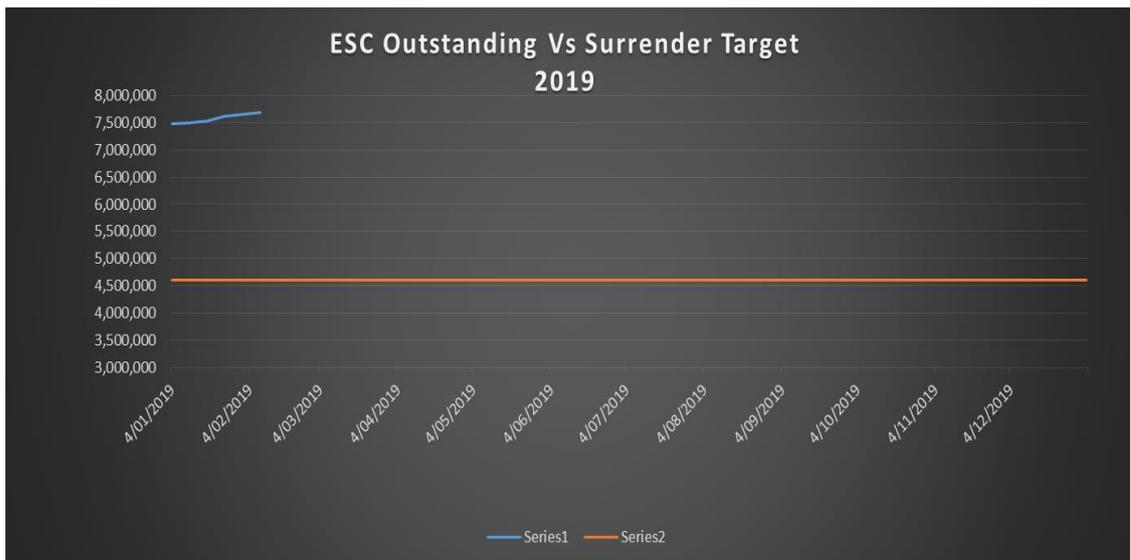
NSW ESCs

ESC creation rose as did market prices though on subdued trading volumes.

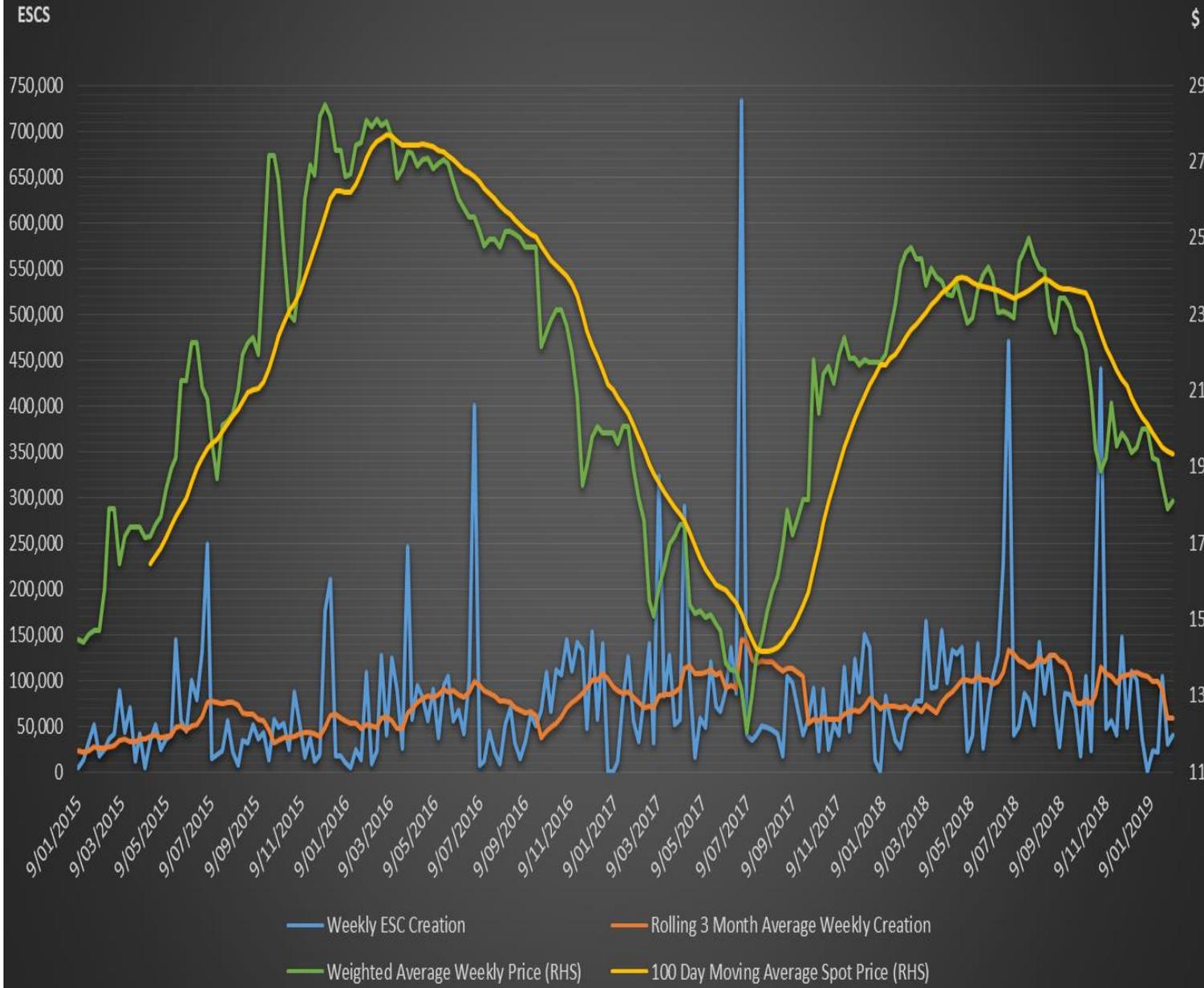
New ESC registrations amounted to 39,500 this week, still considerably below the 106,000 weekly average that pertained in 2018.

Spot trading was again sparse with only two trades reported – the first at \$17.75, a loss of 15 cents from last week. However the second trade was struck at \$18.35. Turnover was only 12,000 ESCs.

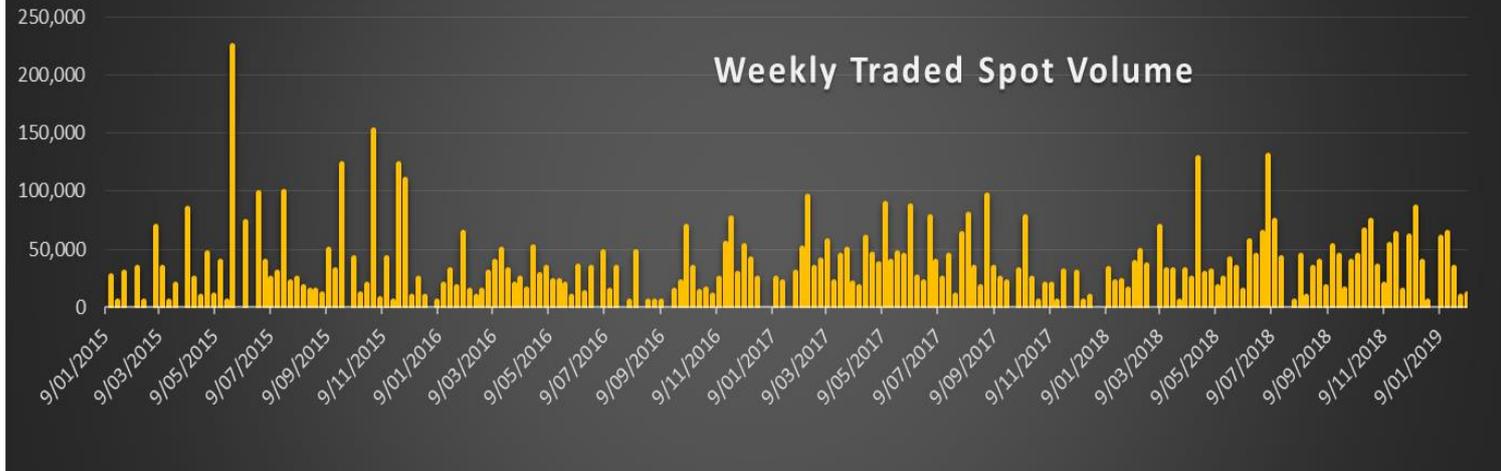
In the forward market 91,000 certificates traded for delivery between March 2019 and January 2020. At the start of the week the forward curve was steep with near maturities gaining a premium of 45 cents over the prevailing spot level out to 75 cents for late 2019 and early 2020. At the end of the week, however, this has flattened to 20 cents across the board.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume

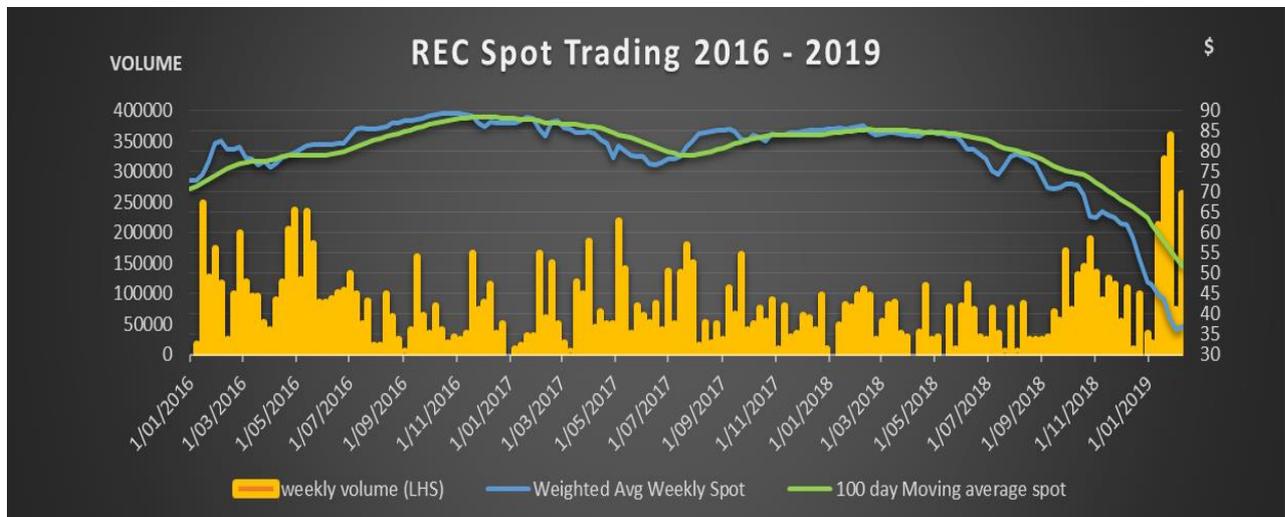
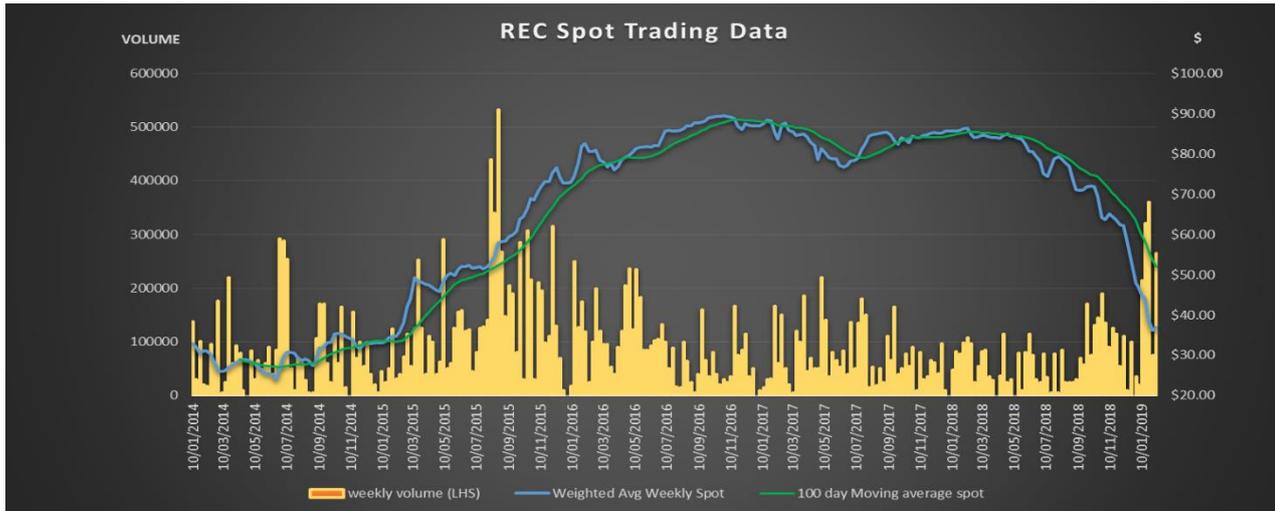


Renewable Energy Certificates

Near term LGC prices rallied this week as the 2018 surrender period neared completion.

A burst of buying activity as the 2018 surrender date rapidly approaches saw spot LGCs open 30 cents higher than last week's close, at \$35.00. Continued buying pressure led to a top of \$40.00 late in the week before the last trade for the week was struck at \$39.50. Turnover was reported at 265,000 LGCs.

In the forward market the calendar 2019 contract (February 2020 delivery) followed the spot trajectory, opening at \$34.75 and reaching a high of \$40.00 before finishing at \$39.25 on volume of 255,000 certificates. Conversely the 2020 contract gave up 40 cents, trading 30,000 certificates at \$23.60 while 2021 dealt unchanged at \$14.75 in 20,000 LGCs.



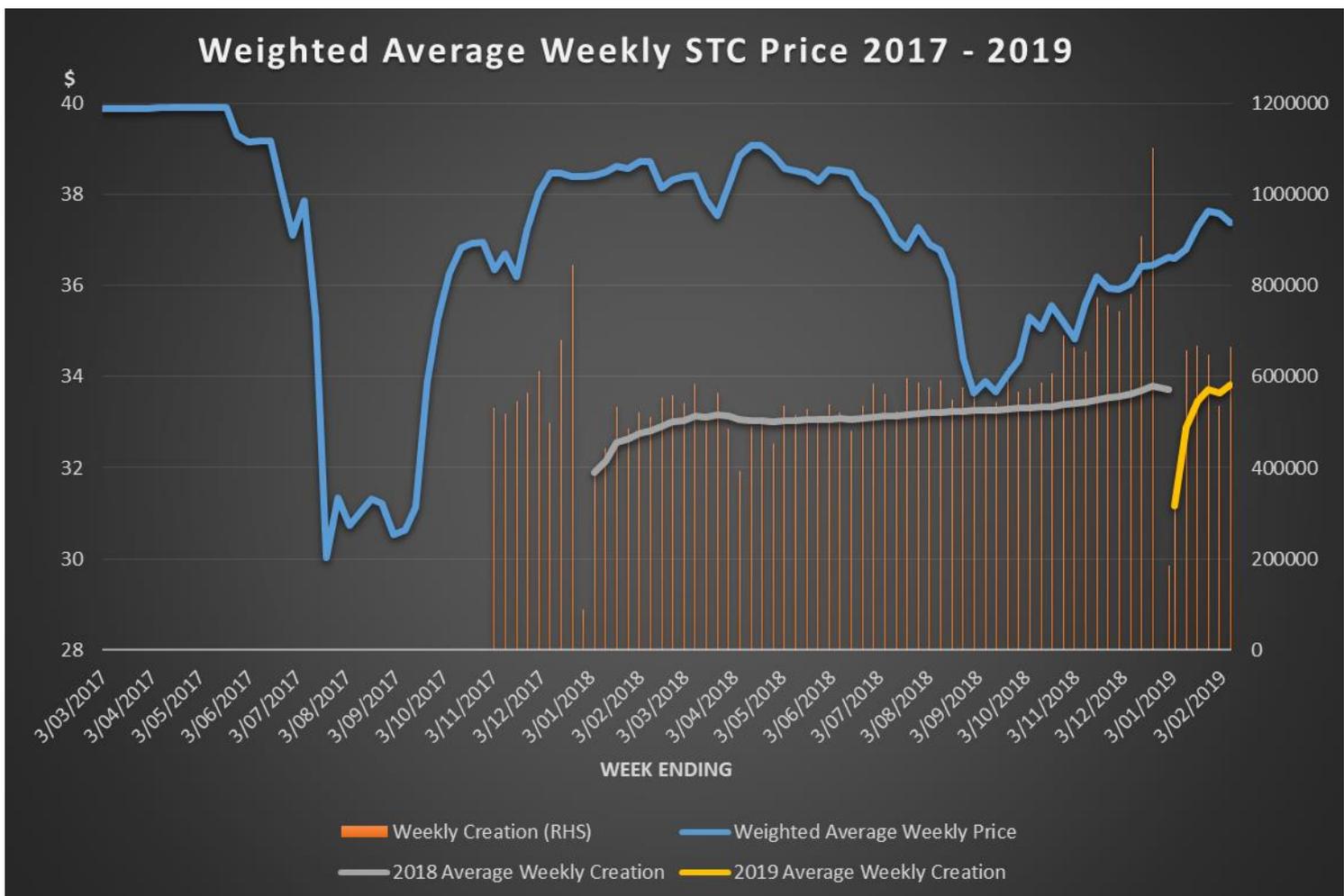
Small Technology Certificates (STC)

STC creation was steady at its recent pace while market prices drifted lower.

New submissions to the Clean Energy Regulator came in at 666,200 this week keeping in line with the rate of creation since the start of the year.

The spot market saw prices decline as retail buying wound down into the first surrender period of the year. The first trade was reported at a drop of 10 cents from last week, at \$37.50, and the price fell gradually over the course of the week to finish at \$36.90 on turnover of 260,000 STCs.

Forward market prices reflected this drop too, with certificates settling between later this month and December 2019 initially dealing at \$37.45 but falling to \$37.00 by week's end. Forward turnover was reported as 225,000 certificates.



VIC VEECs

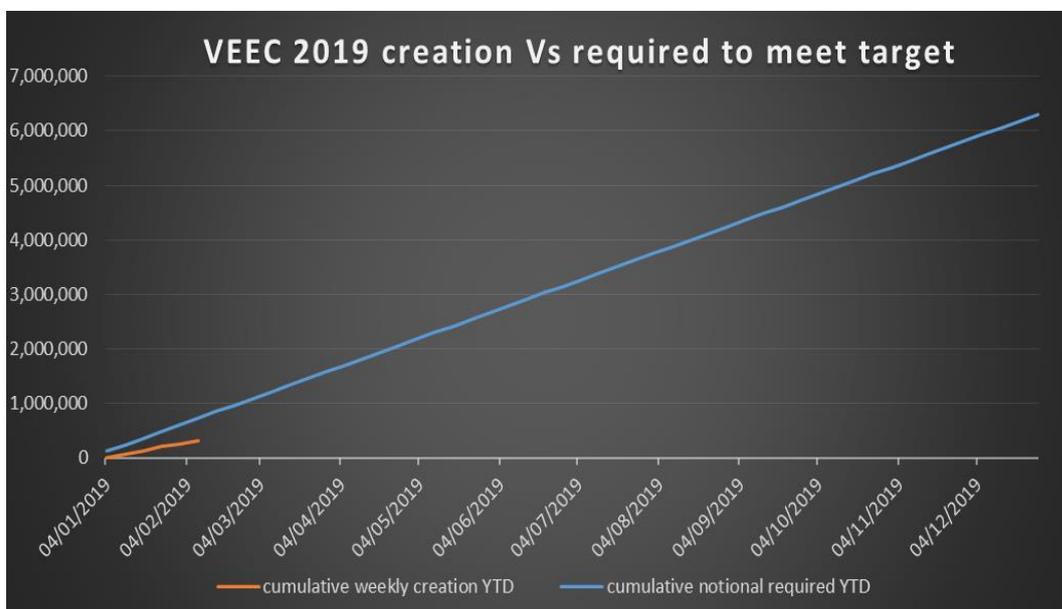
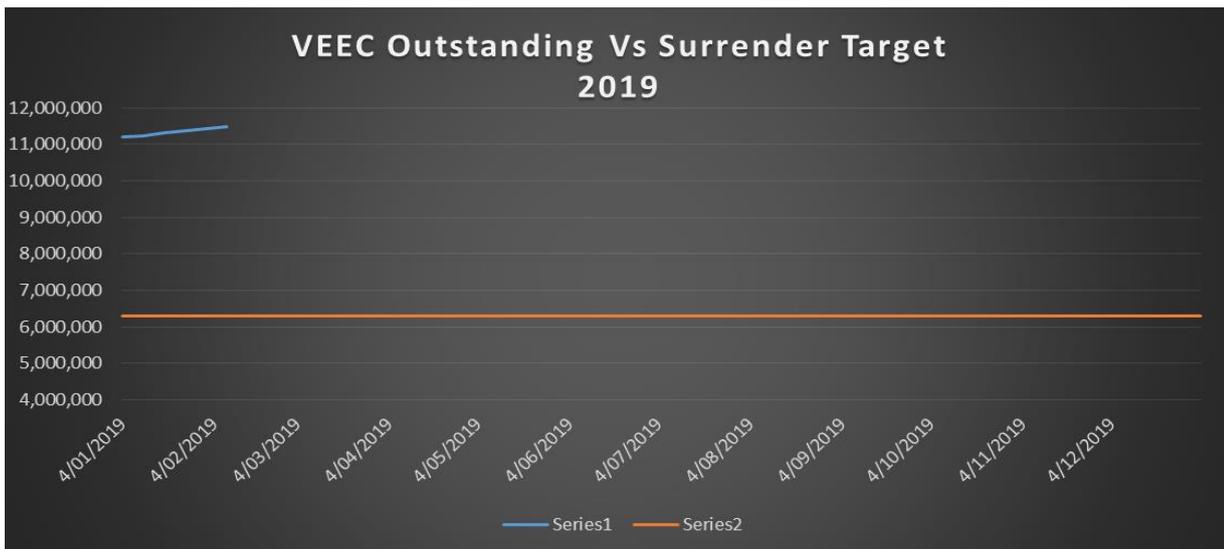
VEEC creation almost doubled from last week but market rumours mid-week saw prices soar.

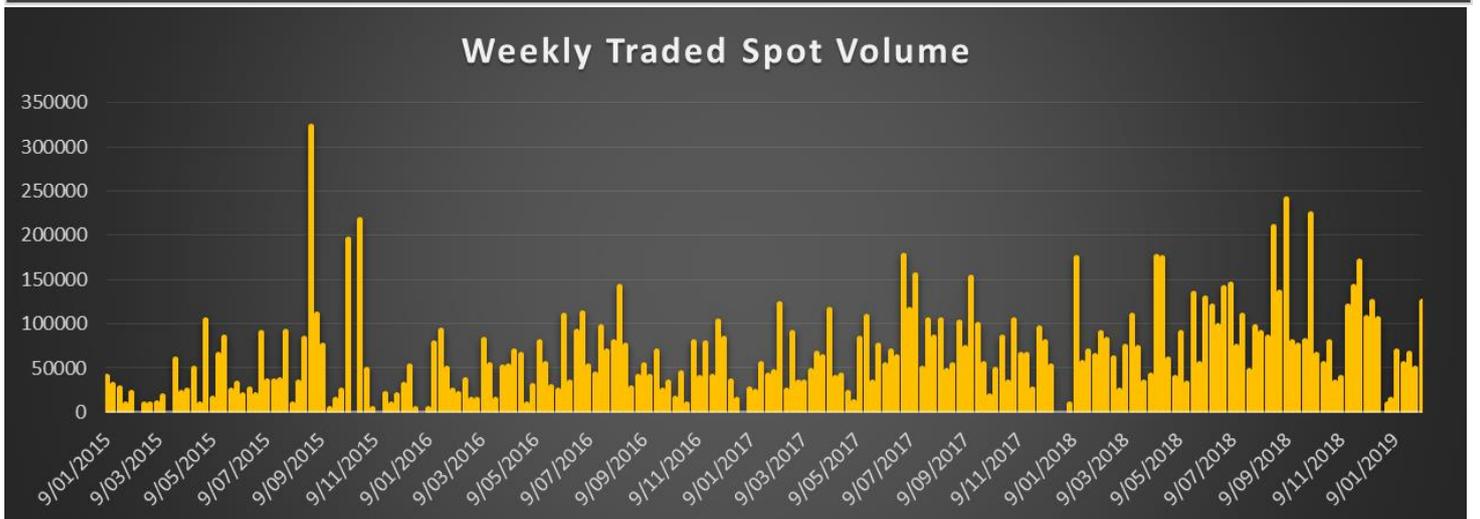
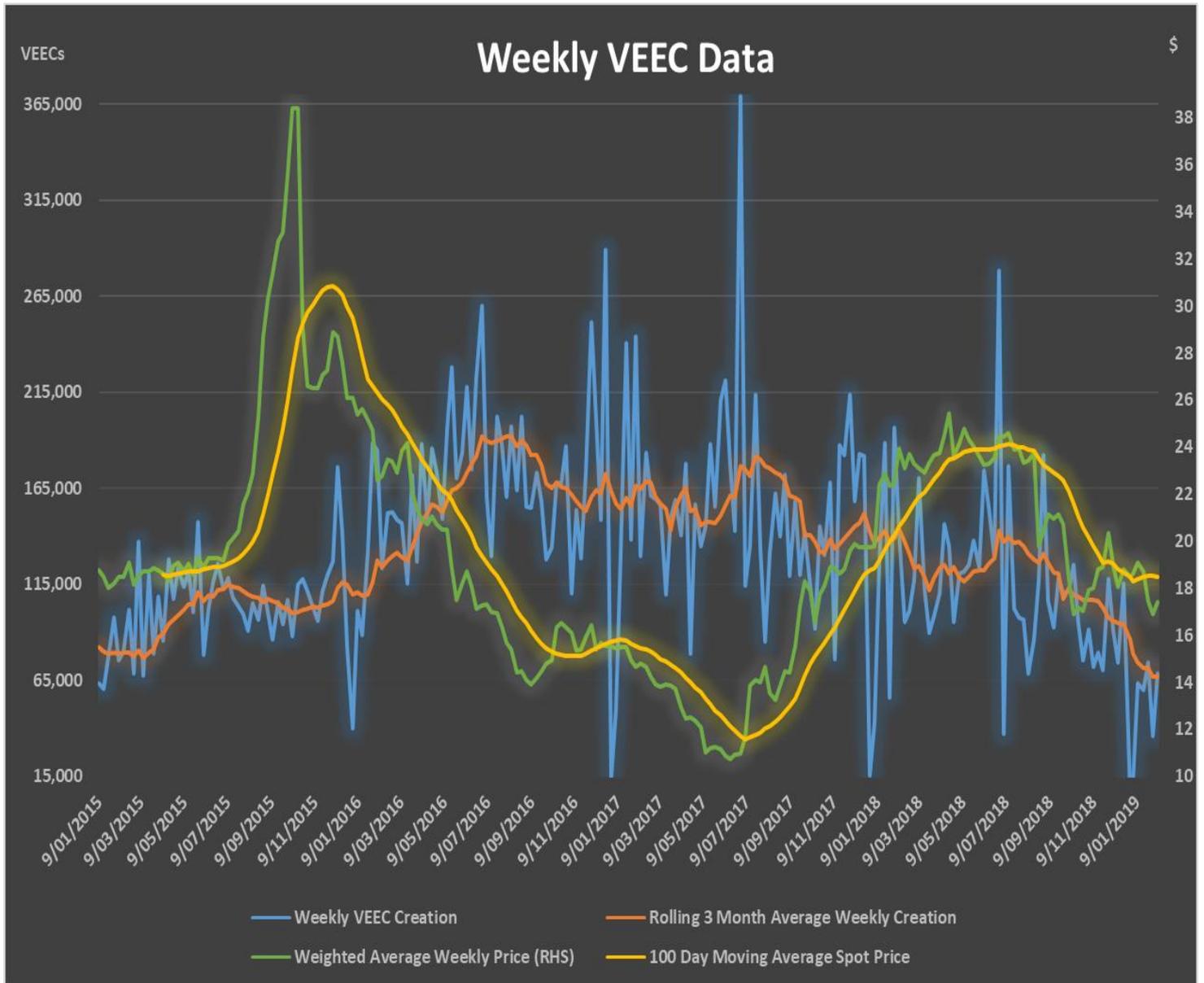
New VEEC registration came in at 68,300 this week bringing the number in the registry to 7.695 million and less than one million needed to meet this year's surrender obligations.

Along with this overhang of certificates keeping a lid on prices recently has been the issue of the future creation of VEECs for residential lighting. The Essential Services Commission has vacillated on whether these installations will need to be carried out by a licenced electrician or not. The need for an electrician would increase the cost and therefore lessen the number of installations and VEEC creation would consequently slow. Up to now the market has assumed an electrician will not be necessary but mid-week rumours hit the market that this would not be the case and caused a jump in spot prices. So far there has been no official pronouncement from the authorities.

Spot trading opened at an unchanged \$16.25 and marked time until the middle of the week when the market rumours put a rocket under it and we closed on the week's high of \$18.00 on volume of 125,000 VEECs.

The forward market saw 175,000 VEECs trade for delivery between later this month and April 2020. At the start of the week the curve rose from a premium of 20 cents over the spot price for near term deliveries to 40 cents for the later months. By the end of the week, with the higher spot prices, this premium had dropped to 20 cents all along the forward curve.





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