

CERTIFICATE REPORT

W/E 30/08/2019

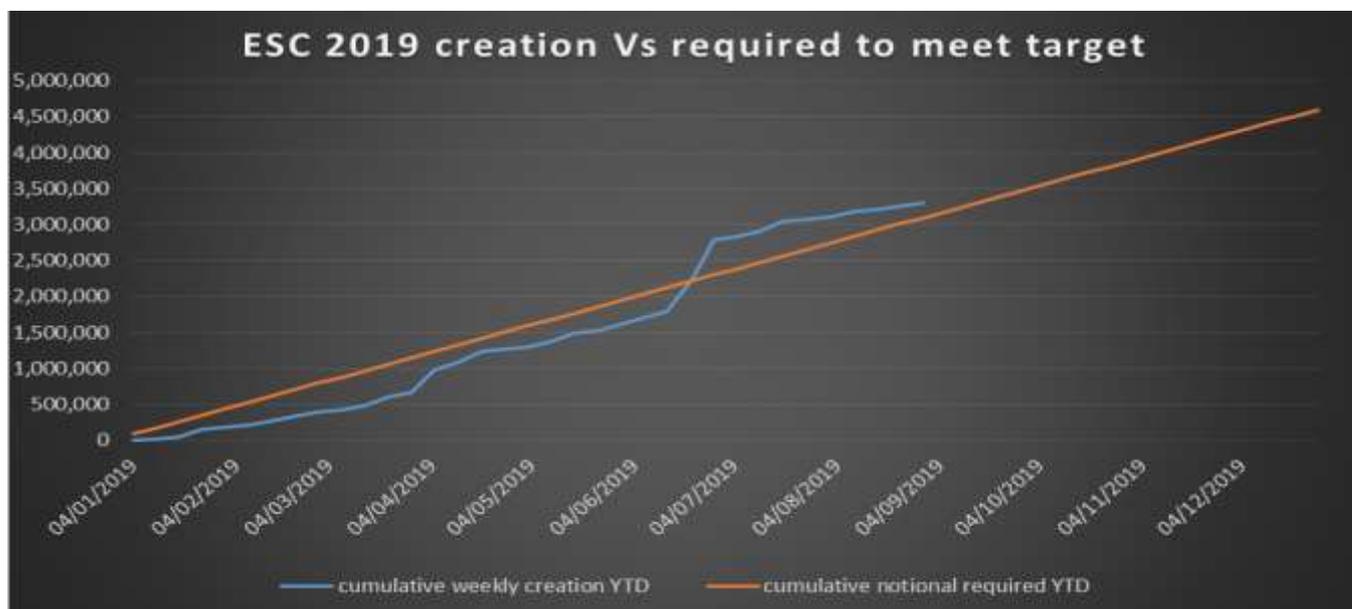
NSW ESCs

Despite a rise in creation market prices rose this week.

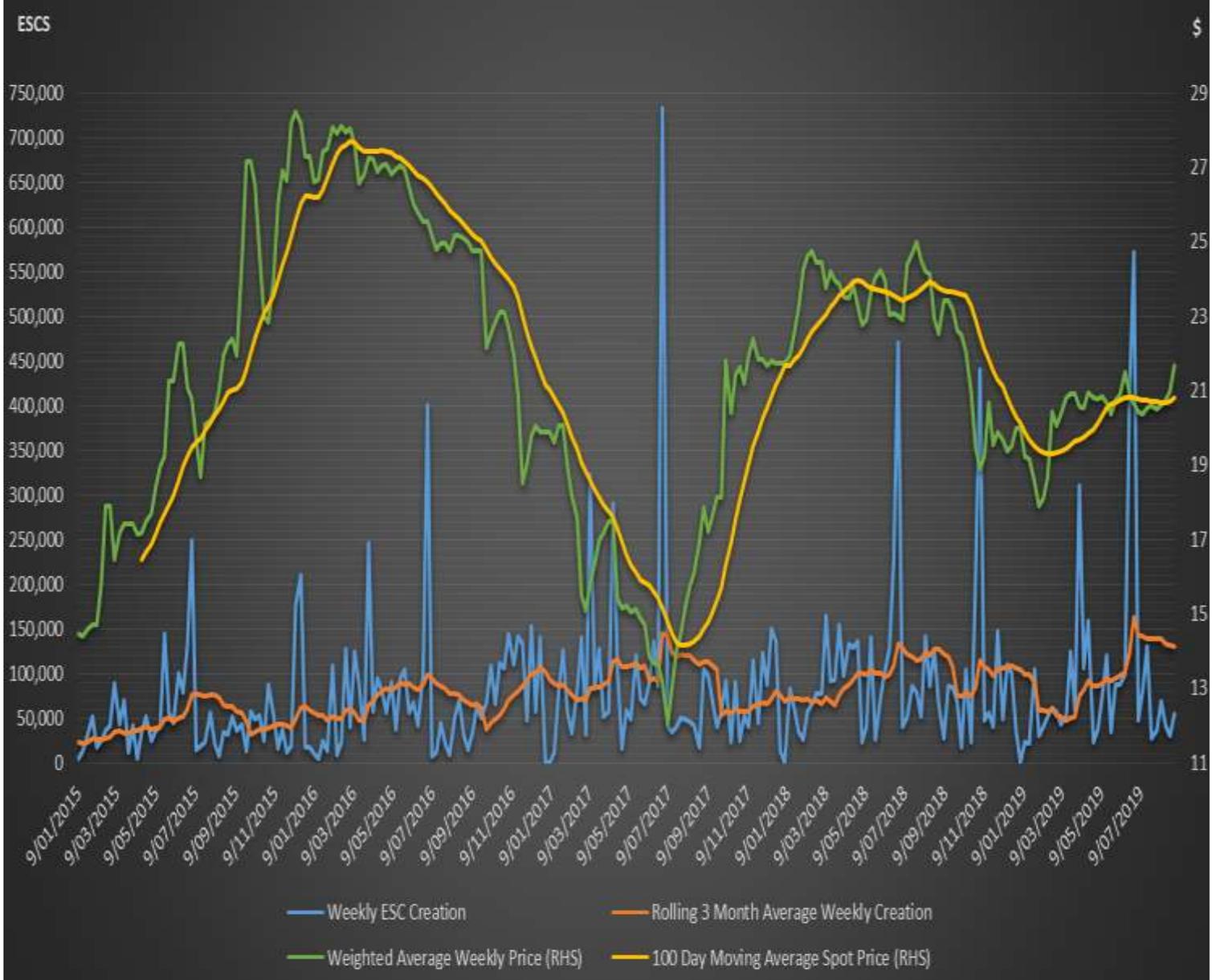
New ESC registration rose over 20,000 this week to come in at 53,700. In spite of the rise in supply it appears that the recent run of low creation seems to have kicked off a rise in prices. August saw the lowest contribution from Commercial Lighting, the major source of ESC creation, since May 2018.

Spot trading opened unchanged at \$21.00 and rose with each transaction to close the week at \$22.00 on turnover of 20,000 ESCs.

In the forward market 42,500 certificates traded for delivery between September and November 2019. September trades were struck in line with the prevailing spot level while those for later maturities gained a premium of around 20 cents.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume

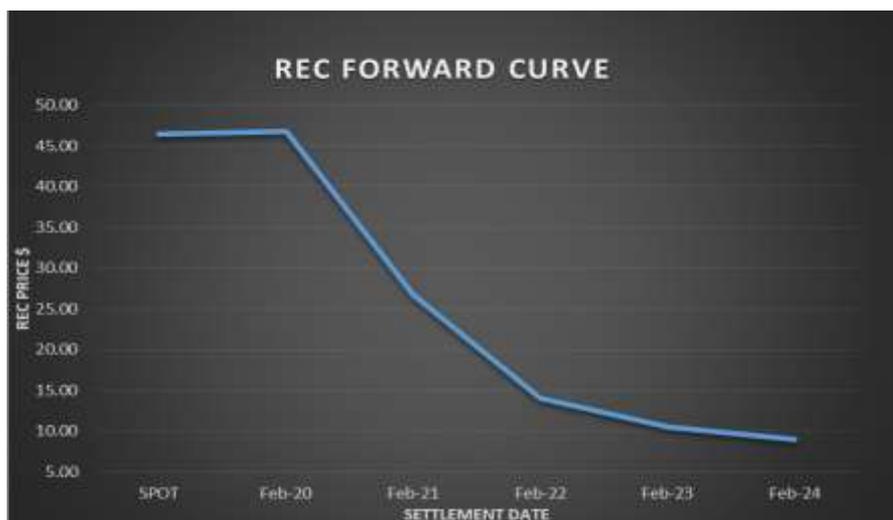
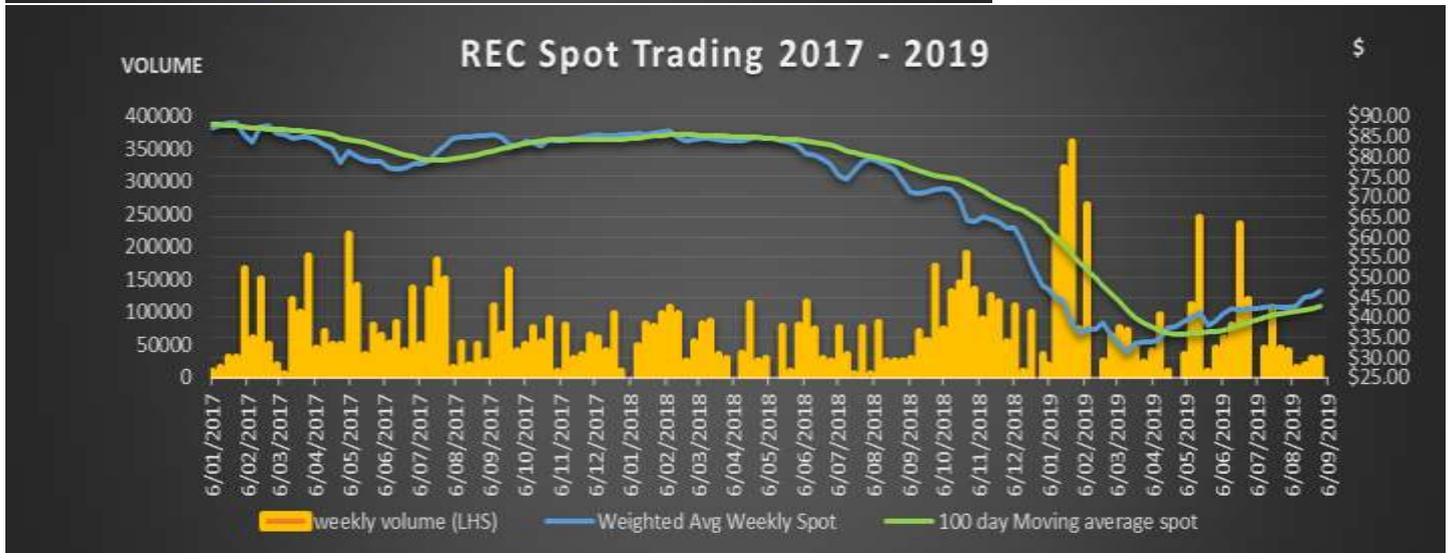
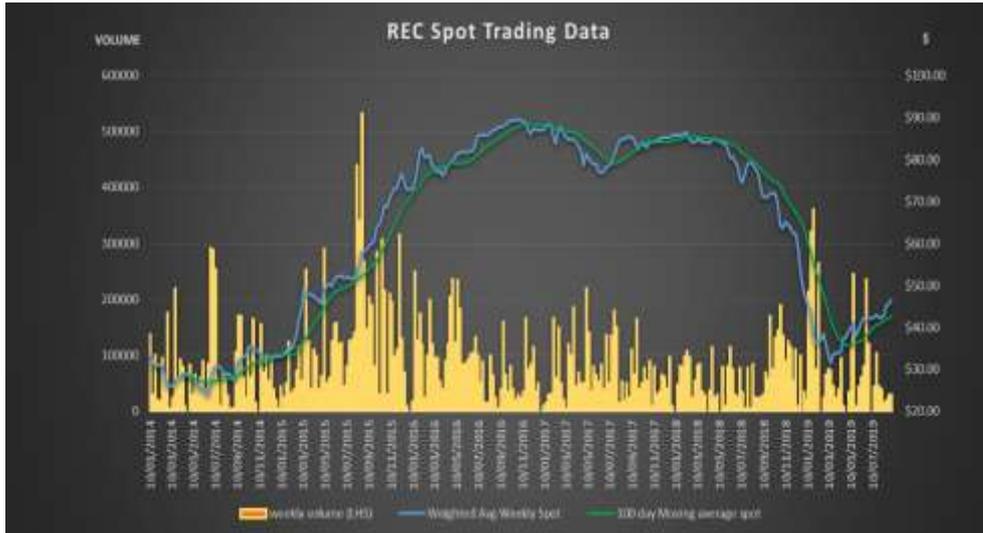


Renewable Energy Certificates

LGC prices were little changed this week, though the spread between Calendar 2019 and 2020 narrowed somewhat.

Spot trading opened 30 cents higher than last week, at \$46.65, but closed barely changed at \$46.40 on volume of 30,000 LGCs.

In the forward market Calendar 2019 (February 2020 delivery) opened unmoved at \$47.00 and traded to a high of \$47.25 before sellers pushed it back down to close at the week's low of \$46.80 on turnover of 80,000 certificates. Calendar 2020 first dealt at \$26.25 and reached an intra-week high of \$27.00 before easing slightly to close at \$26.75, and a gain of 75 cents, on turnover of 165,000 LGCs. Calendar 2021 traded 18,000 LGCs at an unchanged \$14.00.



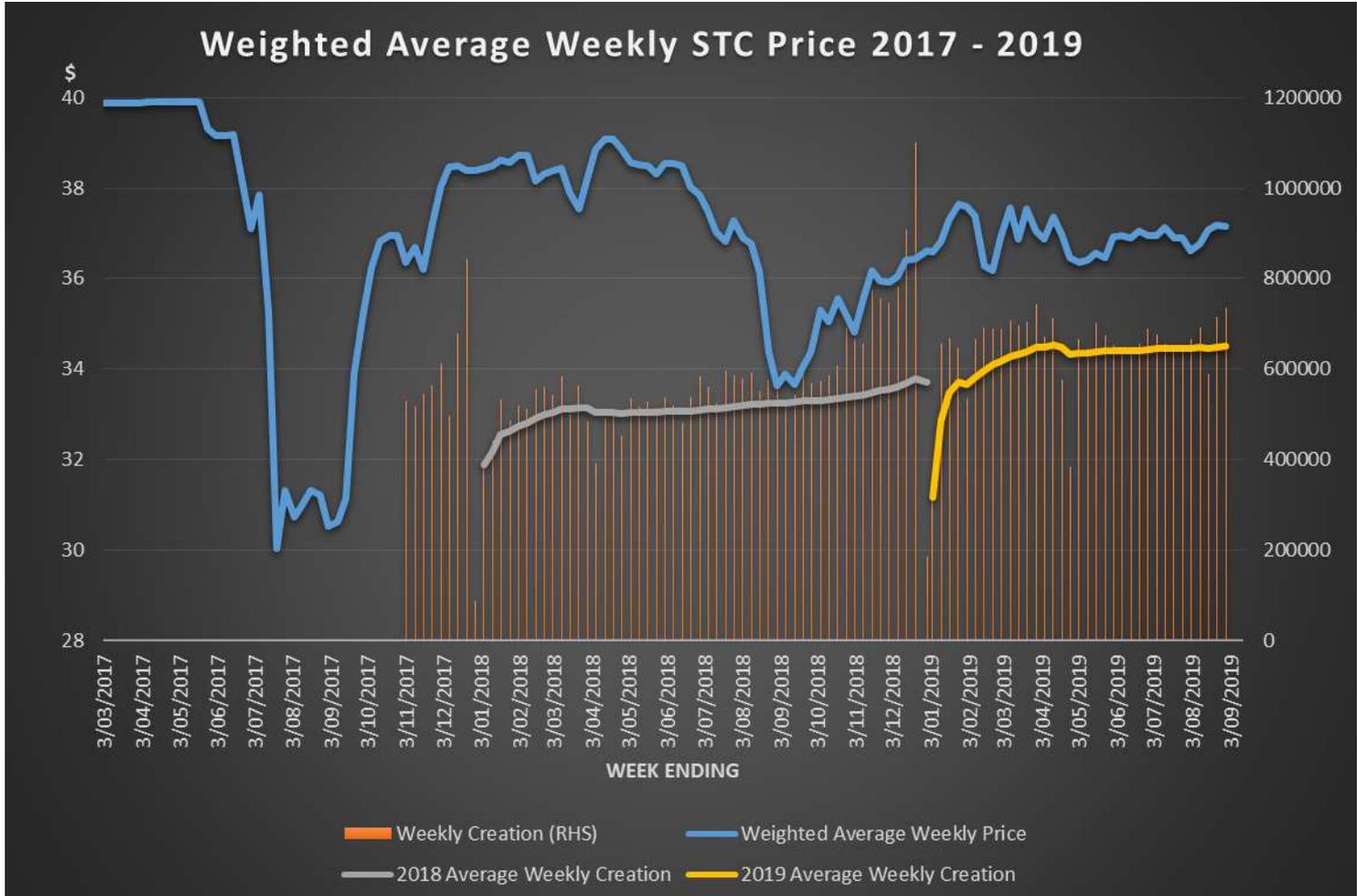
Small Technology Certificates (STC)

STC creation soared while market prices were volatile on the back of a Victorian Government announcement on their solar homes scheme.

New submissions to the CER came in at just under 735,000 this week, the largest creation week since the end of March. Mid-week the Victorian Government announced that they were going to modify their solar subsidy by front loading applications for the next few months rather than doling out the same small number each month which had led to paralysis of the Victorian solar market and paradoxically had put a brake on installations across the state.

Spot trading opened unchanged at \$37.20 and continued dealing at that level until the Victorian announcement on Wednesday. After that was released the price dropped rapidly to \$36.80 but then just as rapidly rose back to finish the day unchanged. Prices later reached a high of \$37.25 before closing the week back at \$37.20 on reported volume of 734,000 STCs.

The forward market was very active with 1.1 million certificates trading for delivery between September this year and October 2020. Deals settling this year and early next year traded in line with the prevailing spot level while those for mid and late 2020 traded between \$37.40 and \$37.50.



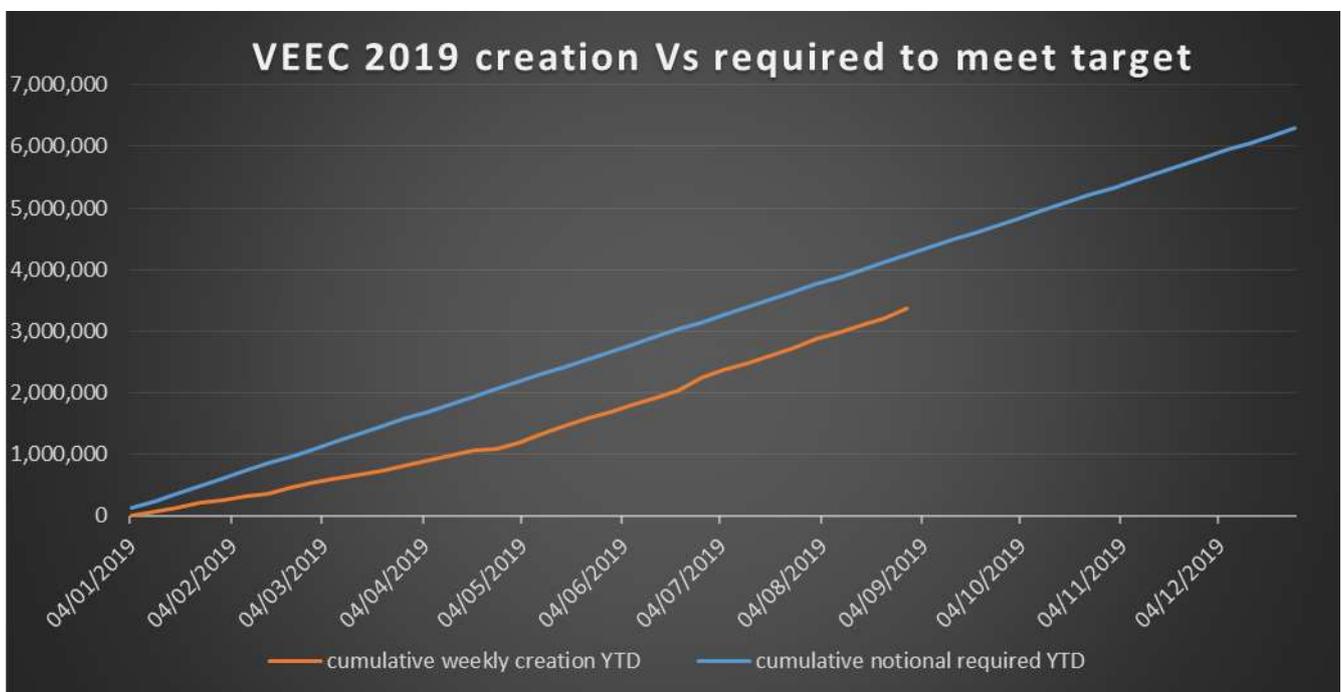
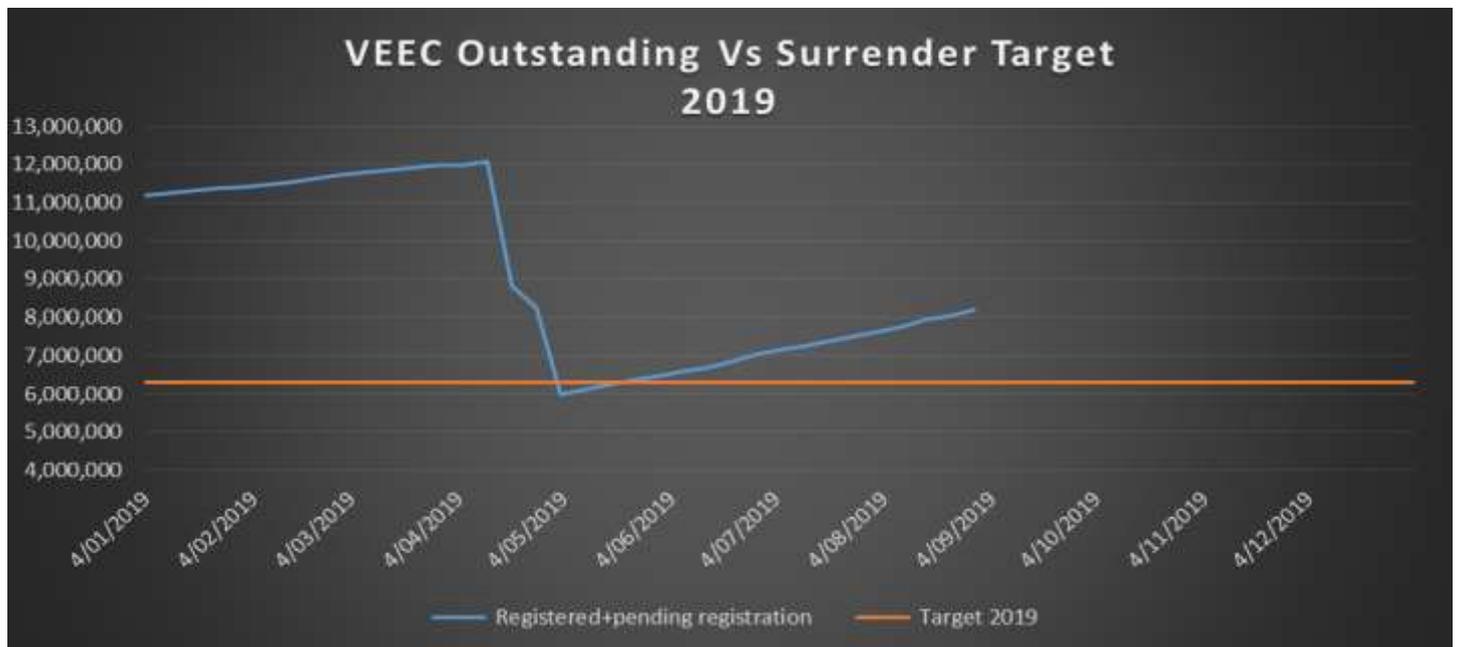
VIC VEECs

The contrariness of the VEEC market was on display again this week as creation soared and market prices climbed.

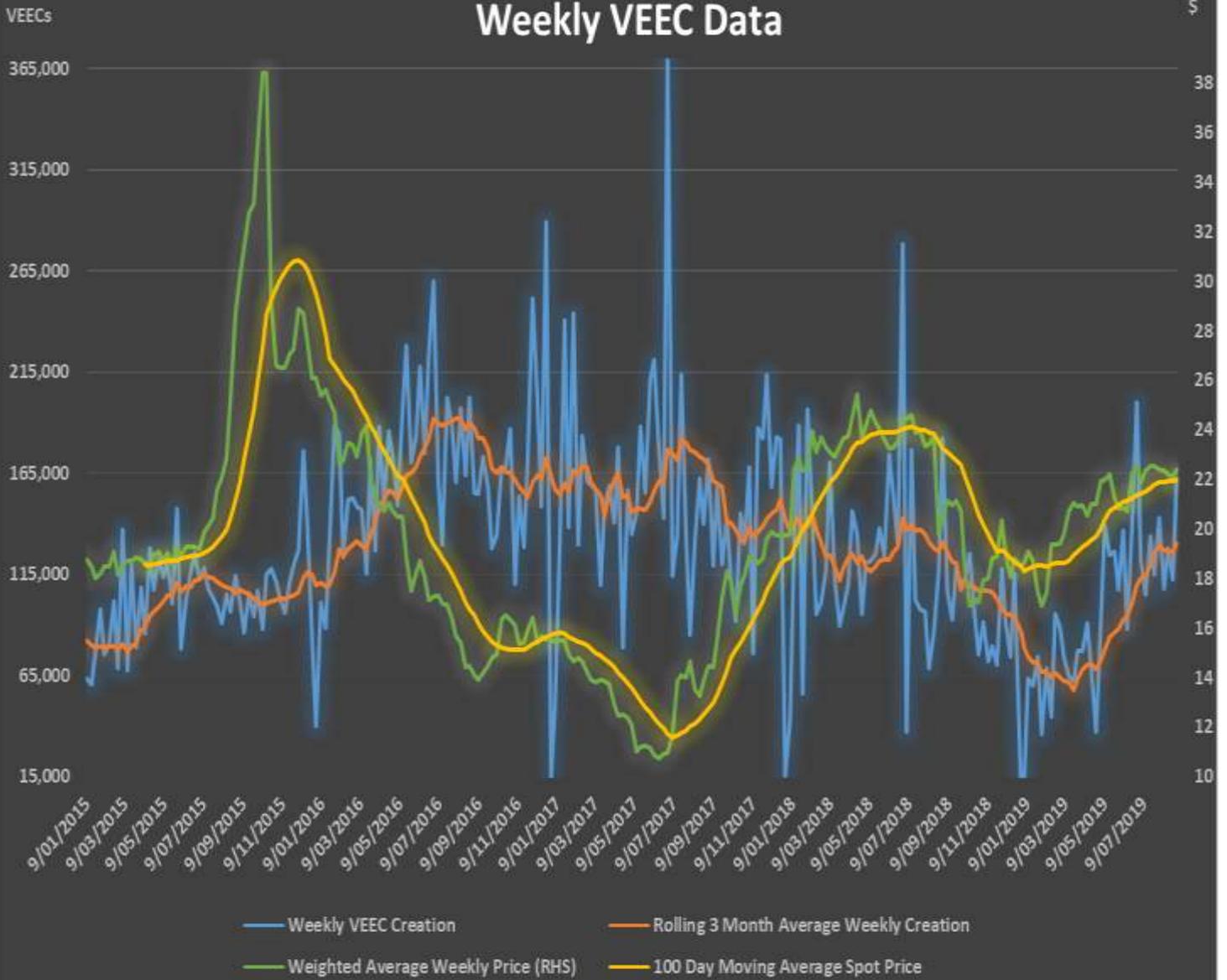
New VEEC registrations totalled 162,100, the highest weekly creation since the end of June.

Spot trading opened 15 cents higher than last week, at \$22.20 and climbed to a high of \$22.70 before settling at \$22.65 on volume of 98,000 VEECs.

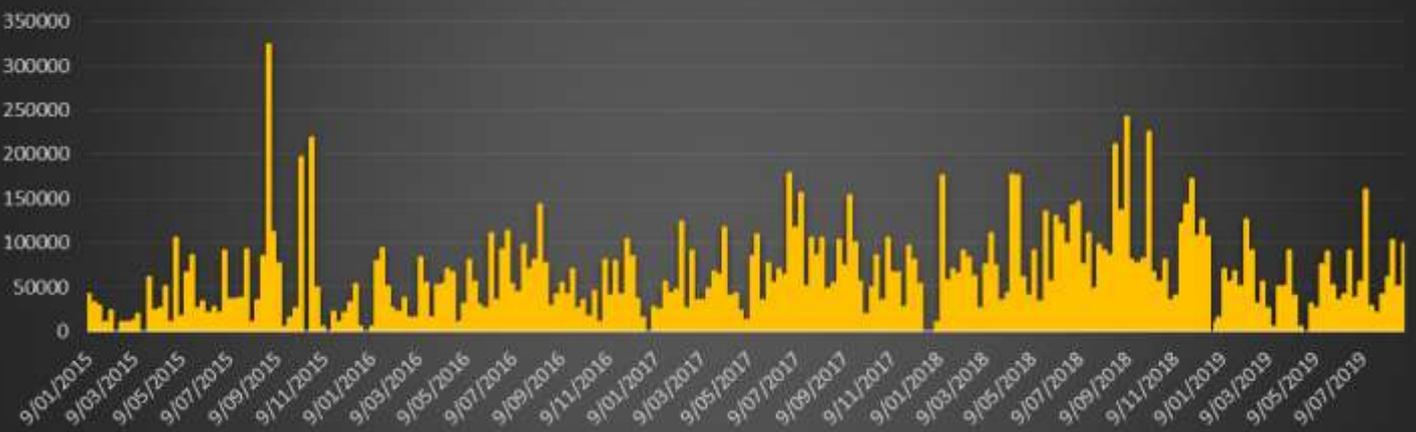
The forward market saw 95,000 certificates contracted for delivery between September 2019 and October 2020. Deals settling this year traded broadly in line with the prevailing spot price while the first quarter of 2020 attracted a premium of around 25 cents and the rest of the year gained 35 cents.



Weekly VEEC Data



Weekly Traded Spot Volume



PO Box Q1251 QVB Post Office NSW 1230

Suite 506, 66 Hunter Street, Sydney, NSW 2000

Phone +61292794704 www.demandmanager.com.au