

**NSW ESCs**

ESC creation remained high leading to further price declines.

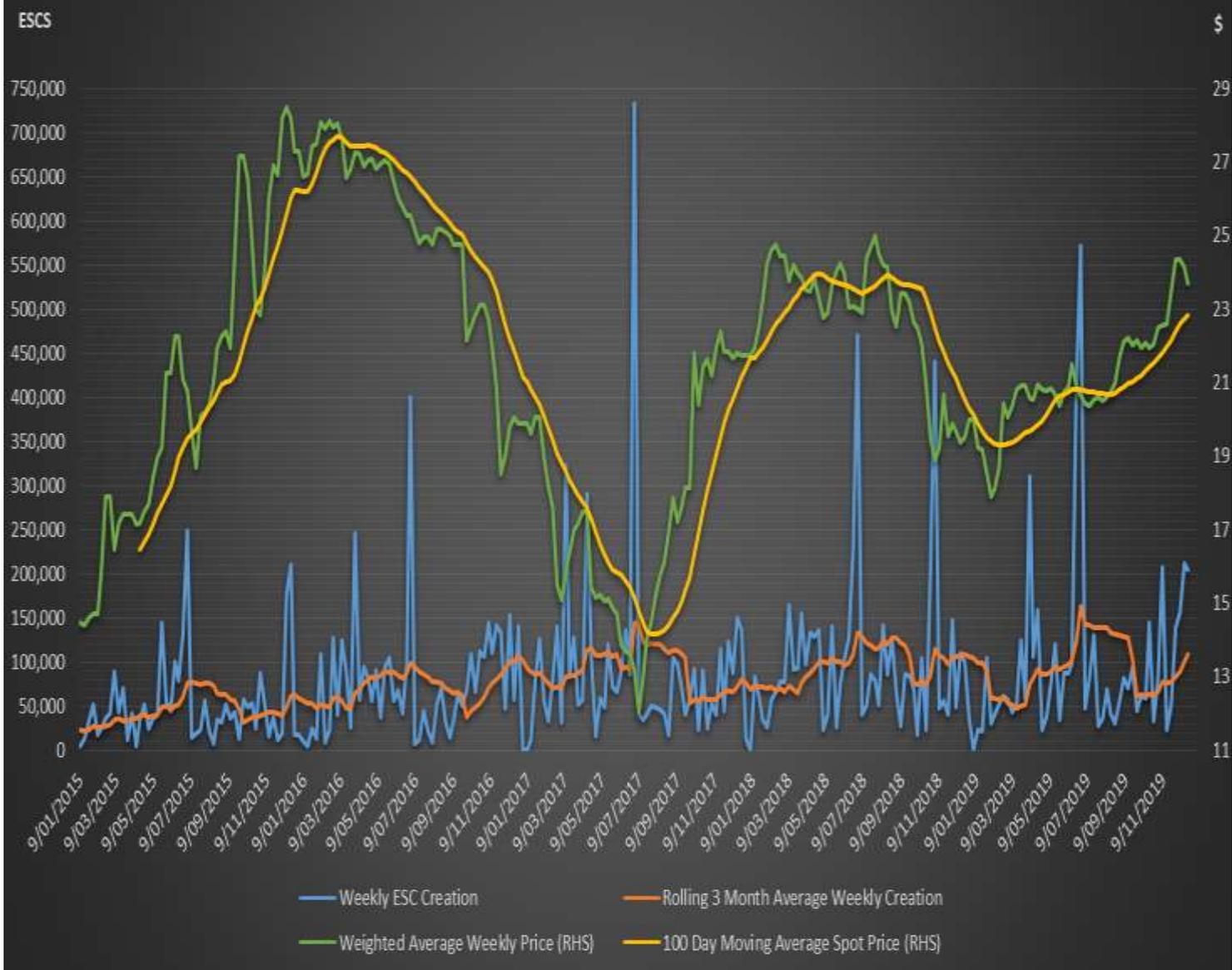
ESC registration continued to be robust coming into year end with 204,100 new certificates minted, bringing the Registry total up to 7.884 million, a surplus of 3.3 million over this year’s surrender obligations and comprising a whopping 71% of next year’s target.

Spot trading opened 5 cents lower, at \$24.00, and drifted lower all week, finally closing at \$23.50 on turnover of 70,500 ESCs.

The forward market saw 55,000 certificates trade for delivery from January to June 2020. Deals settling in January traded in line with the prevailing spot level while those for the rest of the year gained a premium of around 15 cents.



## WEEKLY ESC CREATION - ALL SOURCES



## Weekly Traded Spot Volume

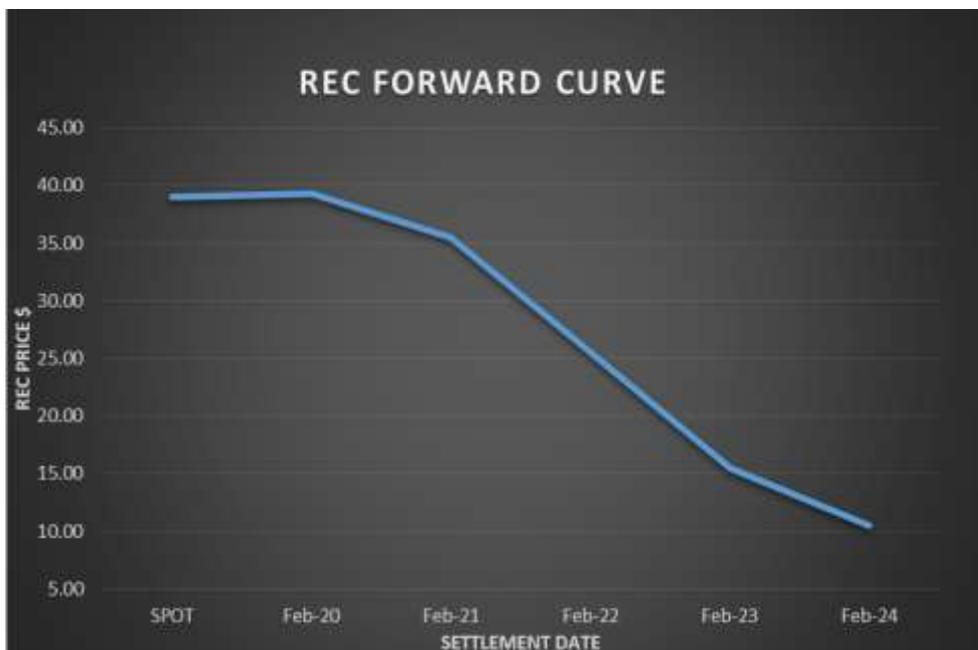
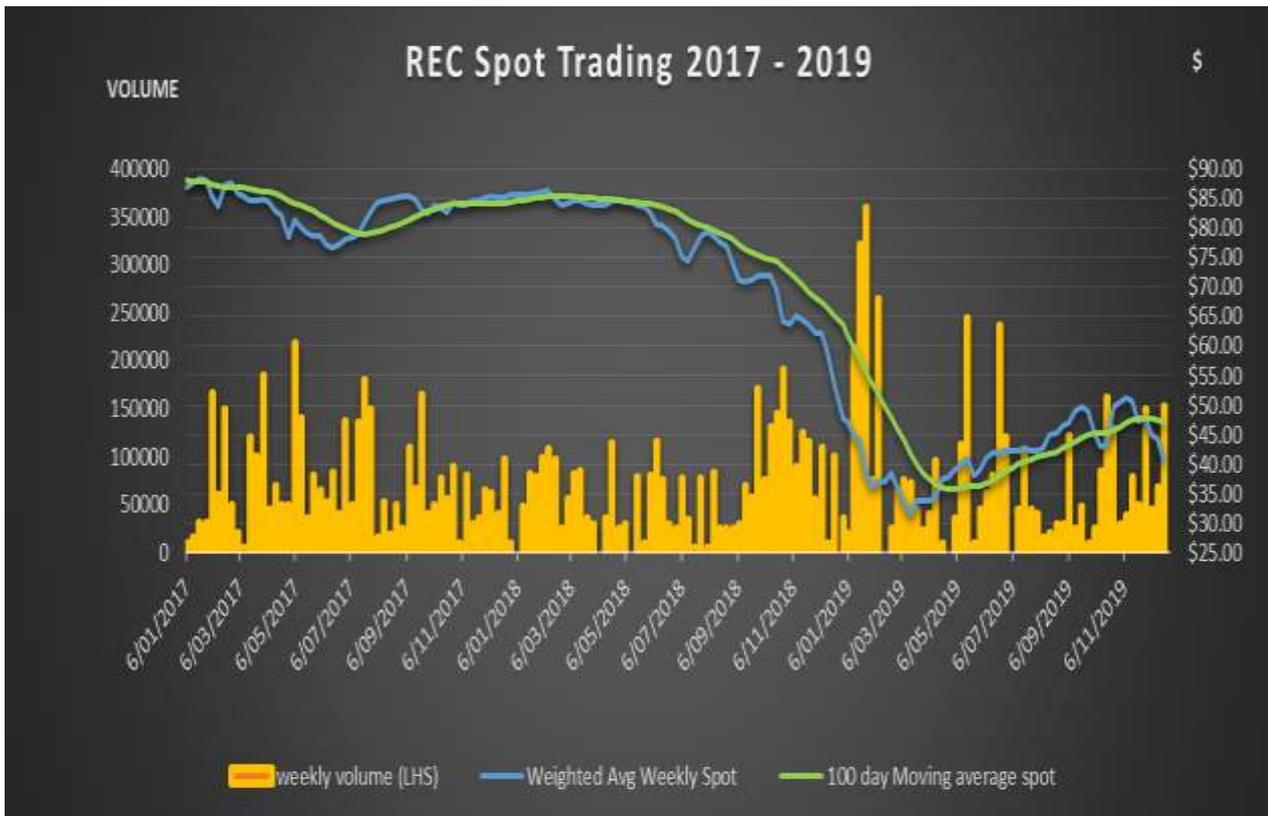


# Renewable Energy Certificates

The market seems to be discounting any fears of a lack of supply to meet this year's surrender target so prices in the near end of the price curve continue to fall.

Spot trading opened \$2.40 lower, at \$42.00, and fell to a low of \$38.25 before recovering slightly with the last trade of the week, finishing at \$39.00. Volume traded was reported as 152,000 LGCs.

Calendar 2019 (February 2020 delivery) followed the pattern, opening at \$43.50 and falling to a low of \$38.75 before closing at \$39.25 on turnover of 141,000 certificates. This represented a loss of \$5.25 on the week. Calendar 2020 dropped \$4.25, closing at \$35.50 on volume of 95,000 LGCs. Calendar 2021 actually traded higher until mid-week, reaching a high of \$27.40 before slipping back to lose 75 cents, closing at \$25.50 on turnover of 190,000 certificates. Calendar 2022 was the most active period with 255,000 certificates dealing from an opening \$14.25 to reach a high of \$15.60 before slipping only slightly to close at \$15.50, and a gain of \$1.50.



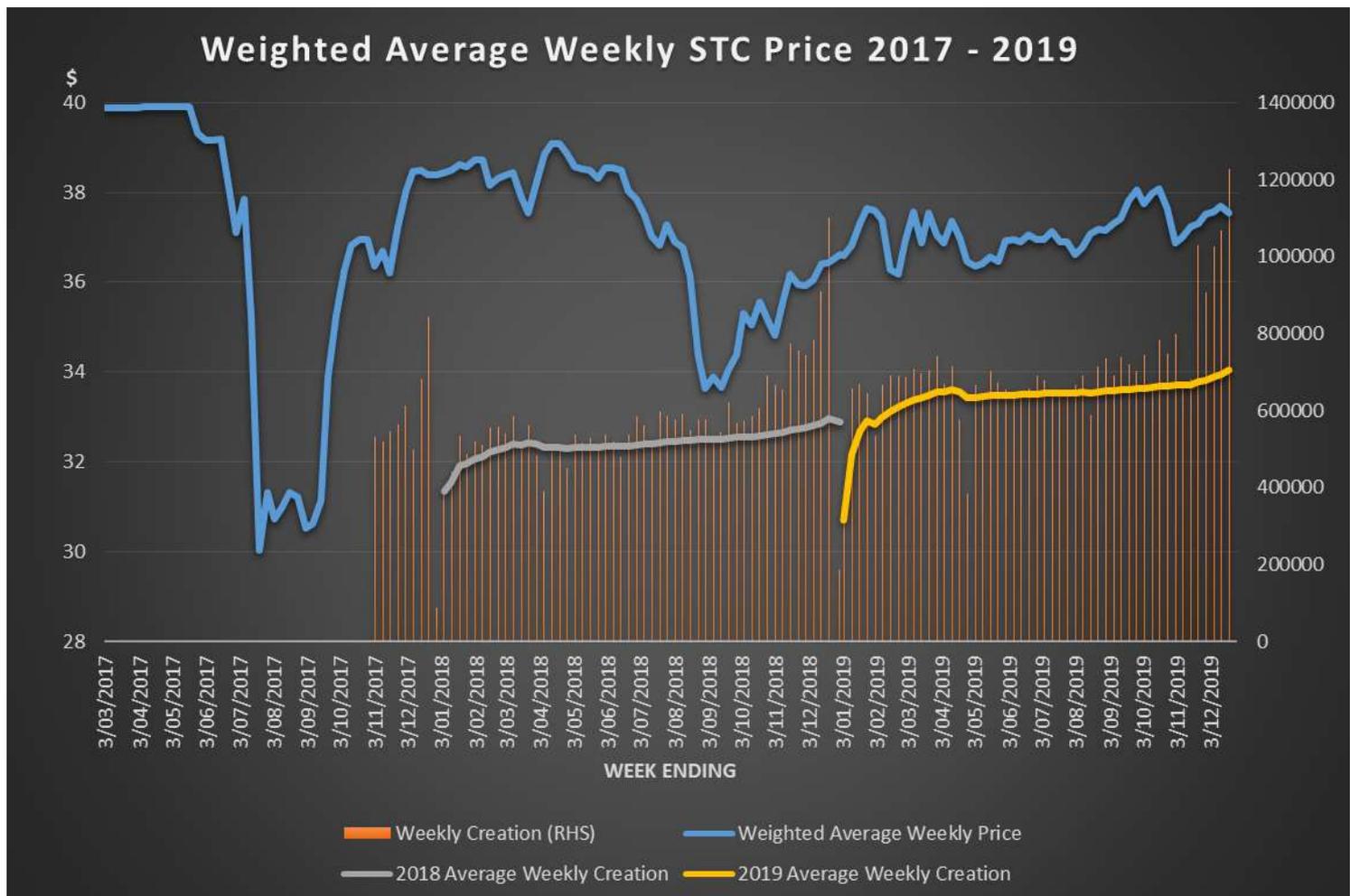
## Small Technology Certificates (STC)

STC prices dropped at the end of the week as the Clean Energy Regulator released more certificates.

STC creation roared higher this week with 1.226 million claims submitted to the Regulator, the largest creation week for the scheme. The CER also unblocked the registration pipeline with just under two million certificates registered this week, over a million more than the last few weeks.

Spot trading opened unchanged at \$37.70 and rose briefly to \$37.80 before dropping back to \$37.70 for most of the week. The CER released the bulk of the new registrations on Thursday night so a deluge of supply hit the market on Friday, pushing the price down to a low of \$37.25 before a slight recovery to a close at \$37.40. Turnover was reported as 508,000 STCs.

The forward market saw 855,000 certificates trade for delivery between January 2020 and January 2021. Trades settling next month traded in line with the prevailing spot price while those settling further out gained a premium of 10 – 35 cents as the maturity increased.



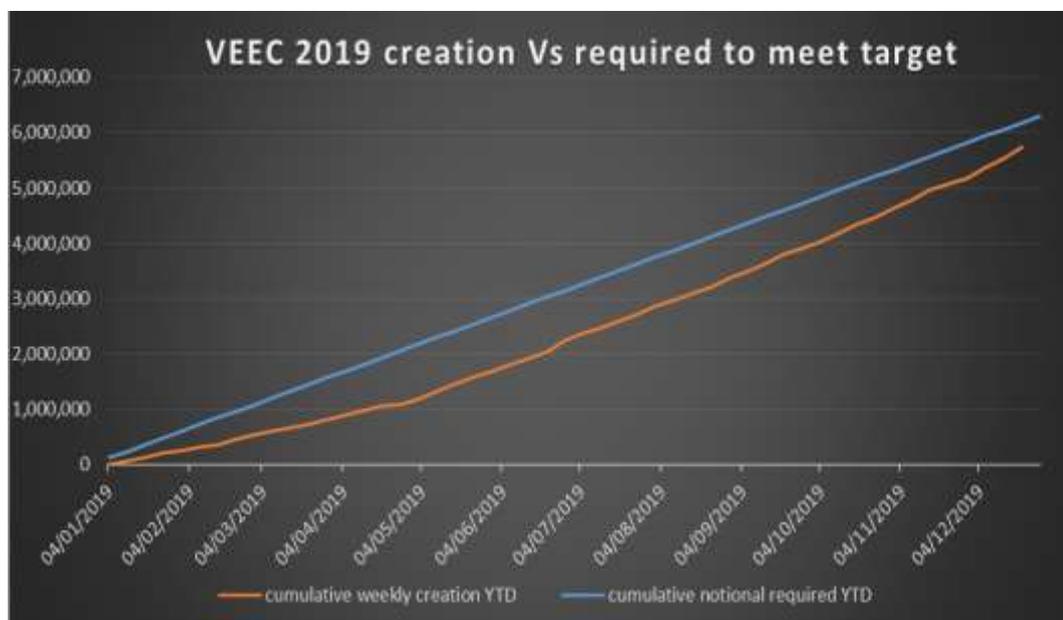
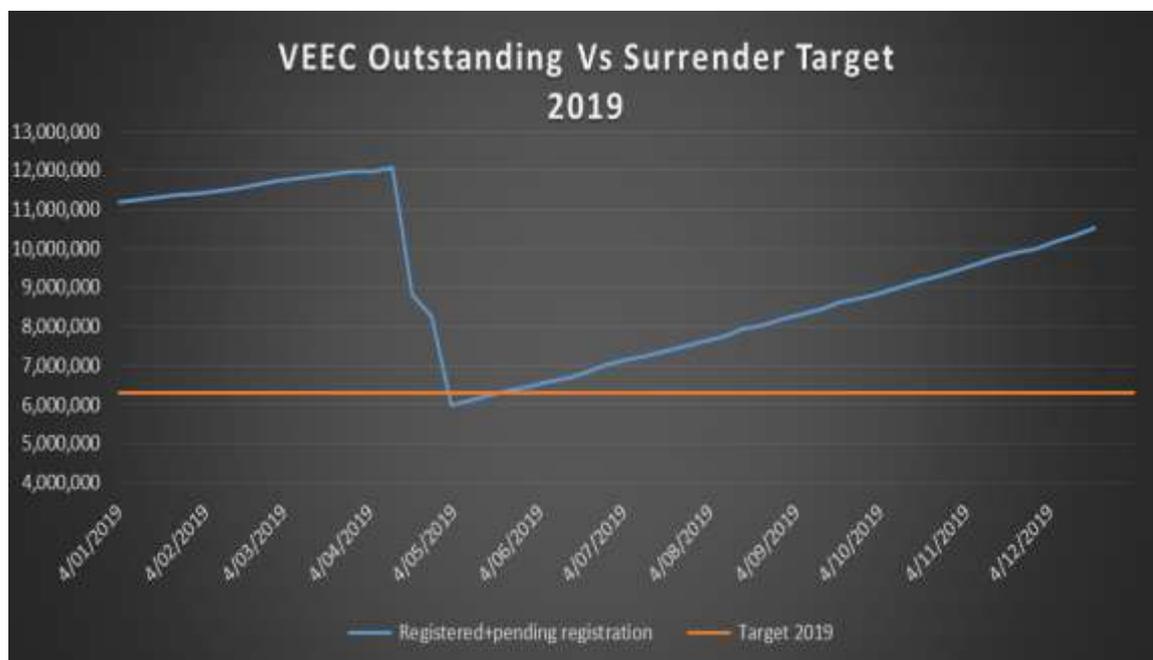
# VIC VEECs

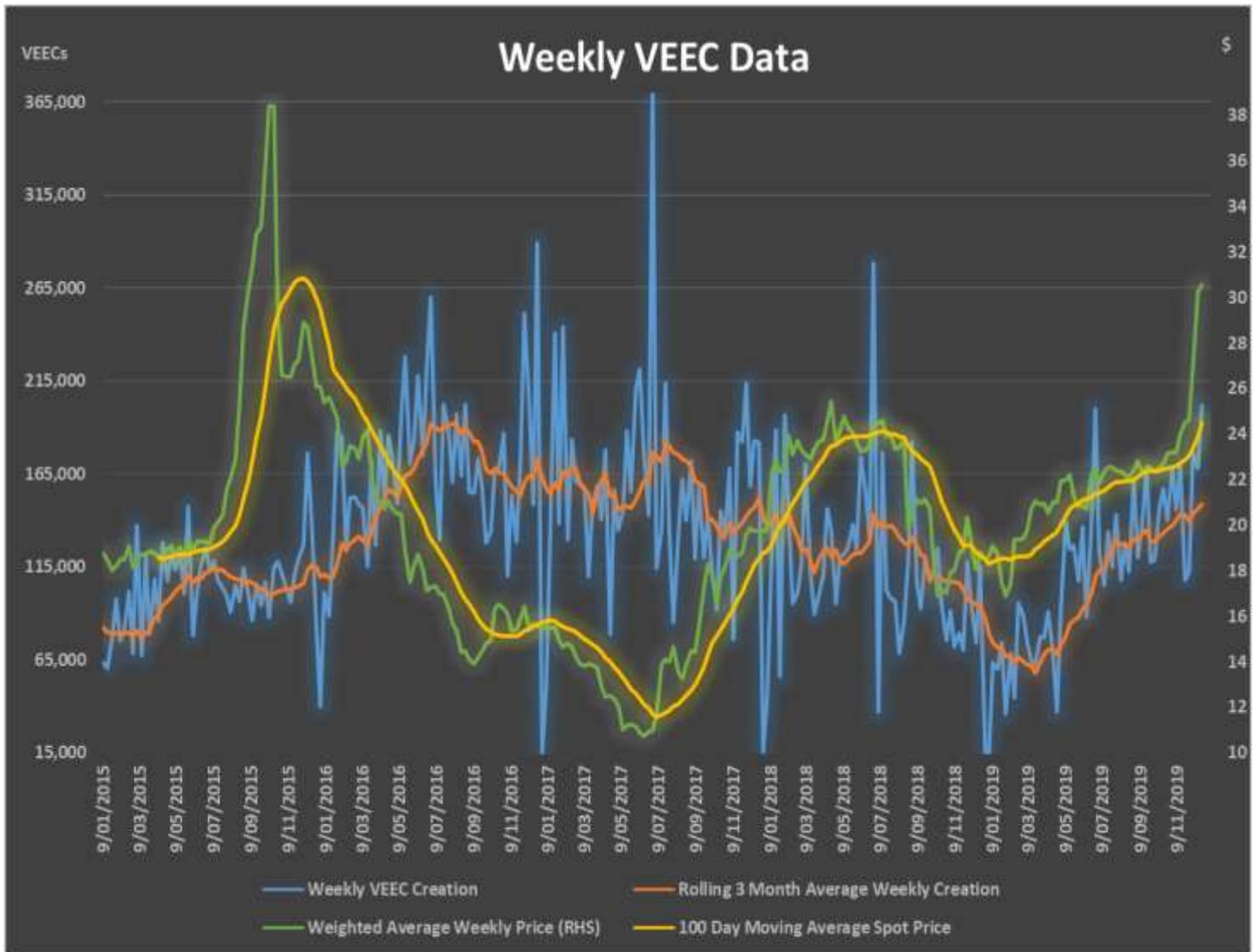
VEEC creation leapt higher this week and market prices declined a little in response.

New VEEC registrations came to 210,400 this week, the largest creation week since the end of June 2018. The number of certificates in the registry now comes to 10.542 million, a surplus of 4.2 million over this year's surrender target, which represents 65% of next year's obligations.

Spot trading was a bit of a roller coaster ride with the first trade, at \$30.75, representing a drop of 5 cents from the previous close. From there we fell to a low of \$30.40 before buyers pulled the price back up to \$30.75, but again the sellers took control leading to a close at \$30.50 on turnover of 127,000 VEECs.

In the forward market 110,000 certificates traded for delivery between January and December 2020. Deals settling in January attracted a premium of 10 cents over the prevailing spot price while the rest of the first half of the year added around 45 cents. Trades for the second half of 2020 gained around \$1.00.





WE HOPE YOU HAVE A MERRY CHRISTMAS AND A VERY PROSPEROUS NEW YEAR. SEE YOU IN JANUARY

PO Box Q1251 QVB Post Office NSW 1230

Suite 506, 66 Hunter Street, Sydney, NSW 2000

Phone +61292794704 [www.demandmanager.com.au](http://www.demandmanager.com.au)