

CERTIFICATE REPORT

25/09/2020

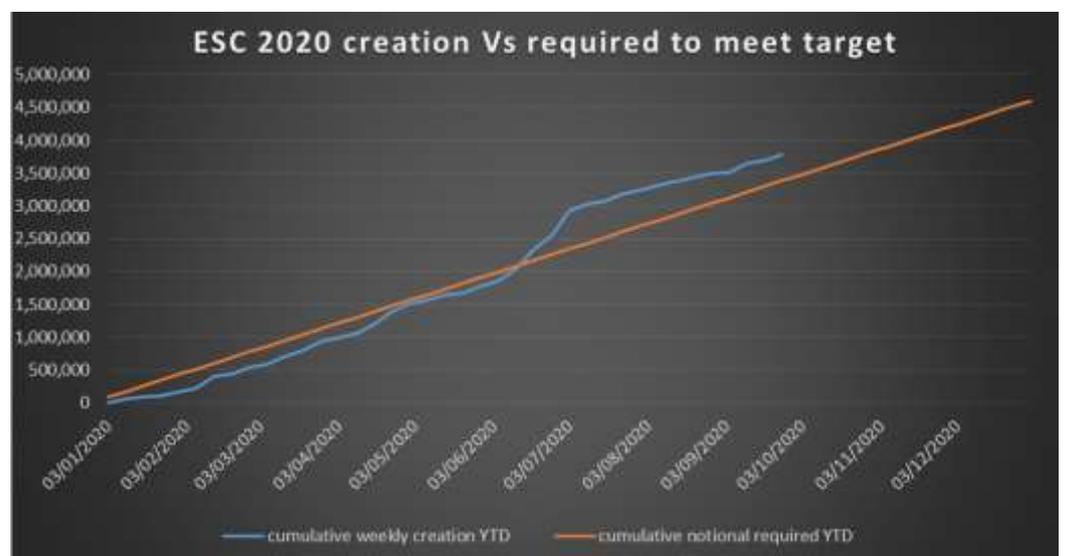
NSW ESCs

ESC creation remains up and down with a significant increase this week while market prices were steady.

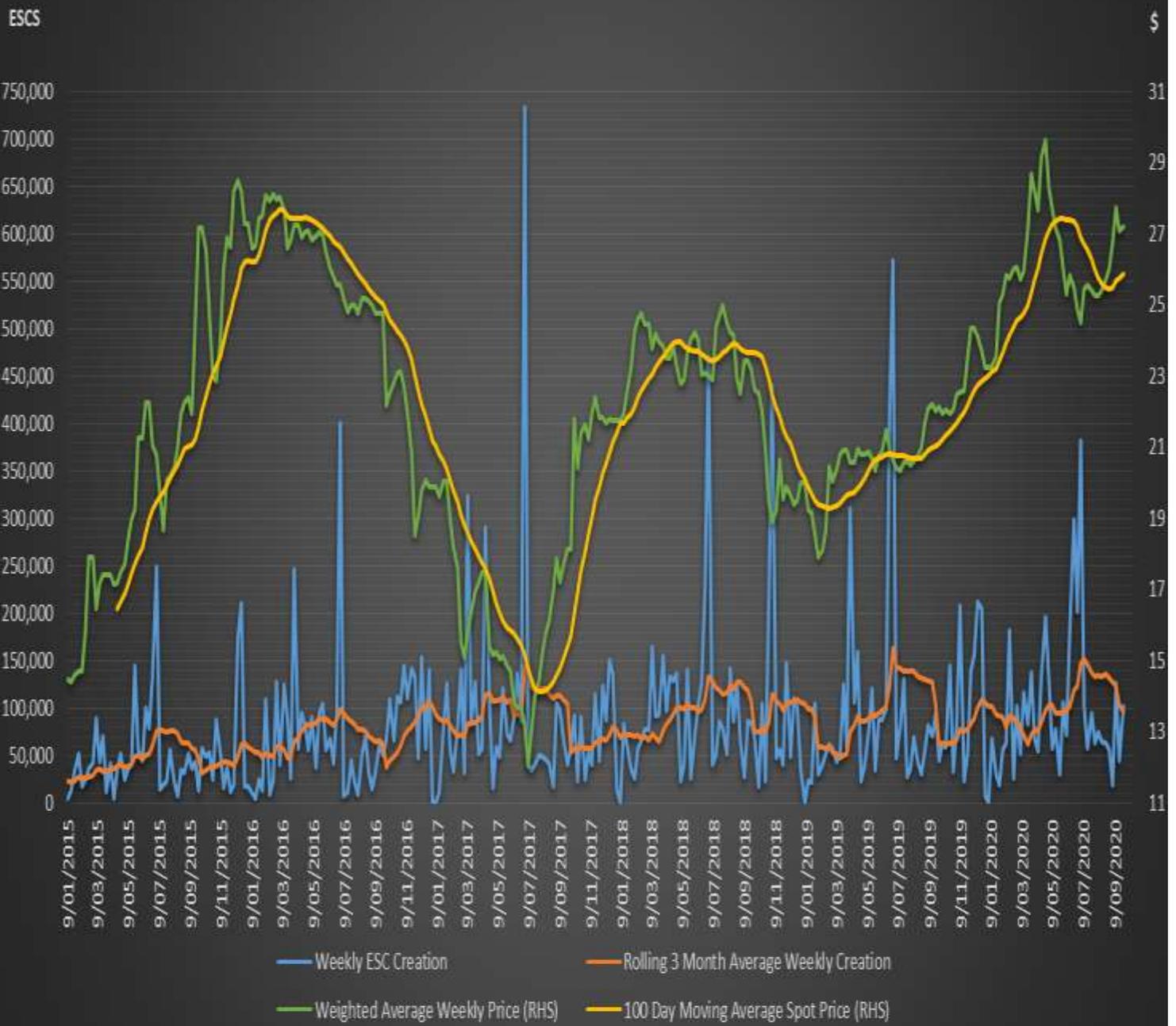
ESC registrations more than doubled, coming in at 101,300.

The spot market opened 15 cents higher at \$27.25 and traded there several times before the last trade for the week was struck back at \$27.10. Turnover was reported as 42,000 certificates.

In forwards we saw only one trade, 10,000 ESC for delivery in November this year traded at \$27.20, around the same level as the spot market at the time.



WEEKLY ESC CREATION - ALL SOURCES



Weekly Traded Spot Volume



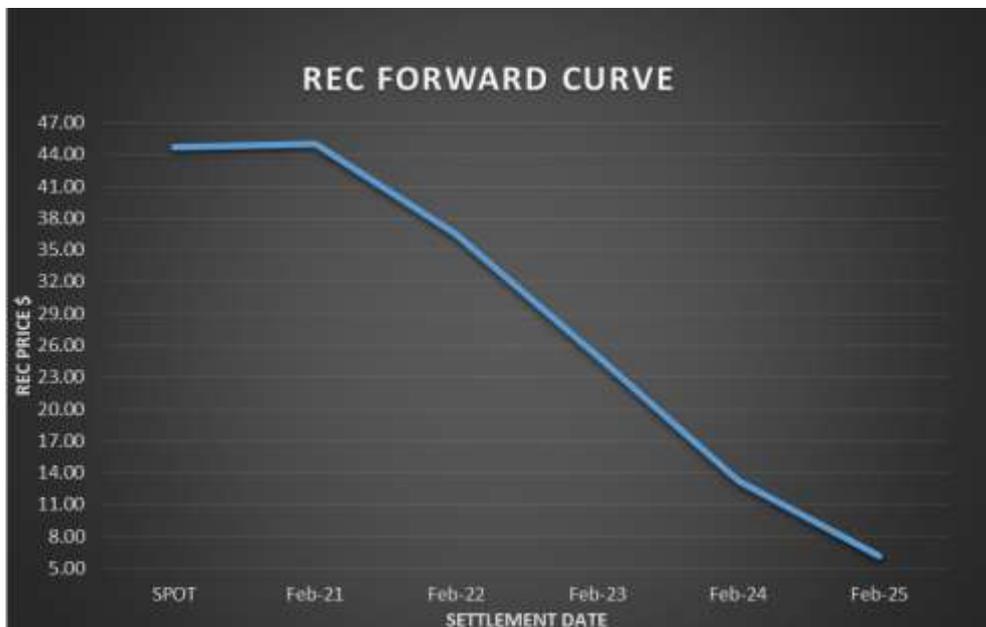
Renewable Energy Certificates

LGC prices fell again in the front end of the curve this week, while further maturities gained slightly. Overall market turnover was fairly modest compared to recent weeks.

The spot market opened 50 cents lower at \$47.50 and the selling persisted throughout the week to the last trade at \$46.00. Subsequent quotations and deals in the forward market imply that the fall continued with the closing level being around \$44.75.

Calendar 2020 (February 2021 delivery) trading was very similar with sellers pushing the price lower all week to finish at the low of \$45.00, a loss of \$2.00. Reported turnover was 55,000 LGCs.

Calendar 2021 followed the same pattern, opening relatively unchanged but losing ground all week to close at the low of \$34.25 and a loss of \$2.25. Volume was reported as only 45,000 certificates. The Calendar 2022 contract actually recovered some recently lost ground, trading 25 cents higher at \$25.00 on turnover of 35,000 certificates. Calendar 2023 also rose, trading at \$13.25 in just 10,000 LGCs, a gain of 50 cents.



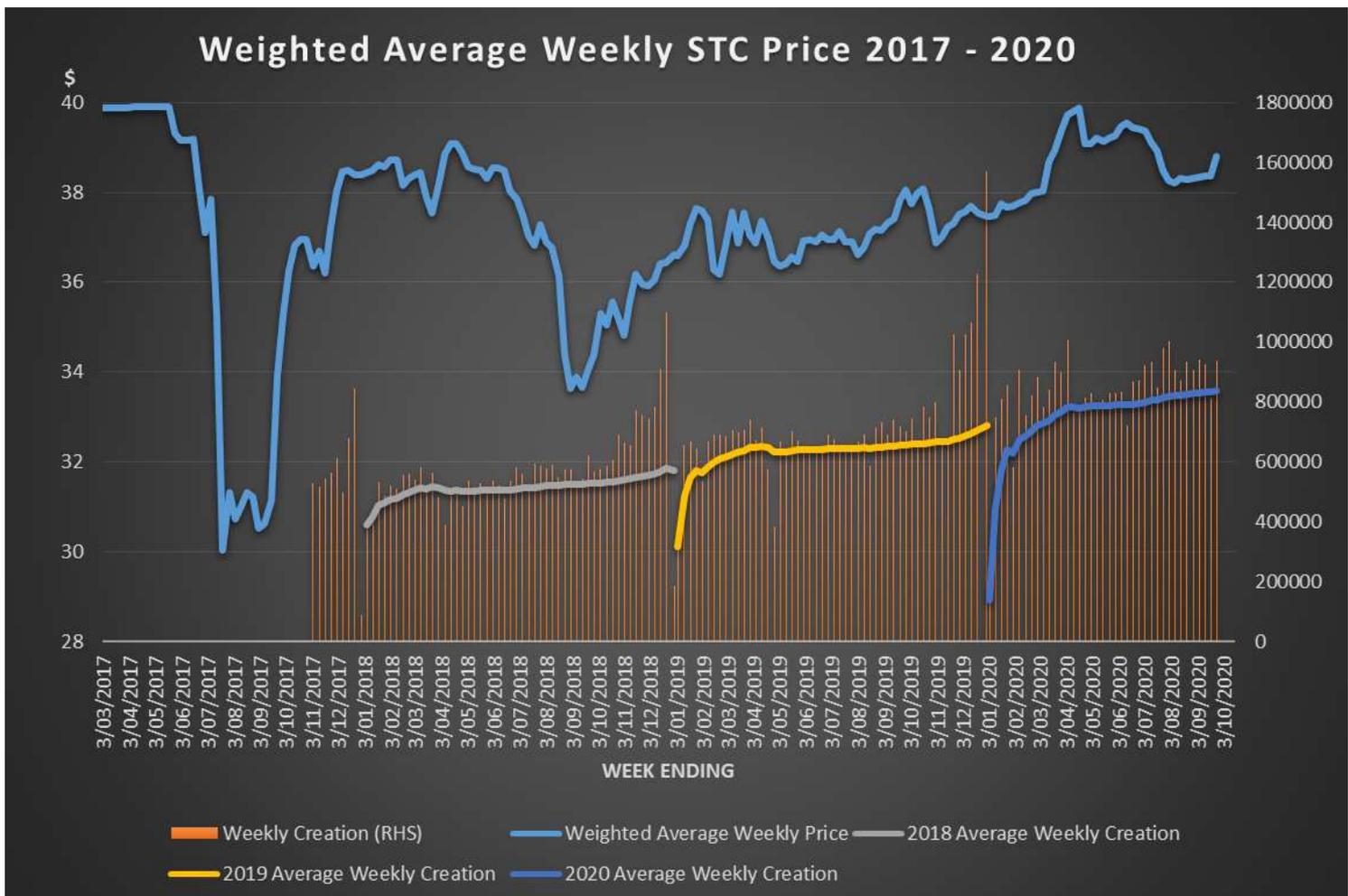
Small Technology Certificates (STC)

STC creation roared back to life this week while the spot market saw the most volatile trading session in several months.

Submissions to the CER climbed over 100,000 to come in at 939,000.

The spot market opened unchanged at \$38.40 but aggressive buying in the first half of the week saw the price rise to a high of \$39.10. This level sparked a flurry of sellers, however, which led to a retreat to a close at \$38.60 on turnover of 430,000 STCs.

There was speculation that the spot buying was an attempt to move prices further along the forward curve higher, and this did happen although the gains were modest. The curve moved into backwardation with trades settling in 2021 only reaching a high of \$38.70 even when the spot price was above \$39.00. By the end of the week the entire curve had flattened out with deals in 2021 being struck at \$38.60, the same level as spot. Reported volume totalled 635,000 certificates.



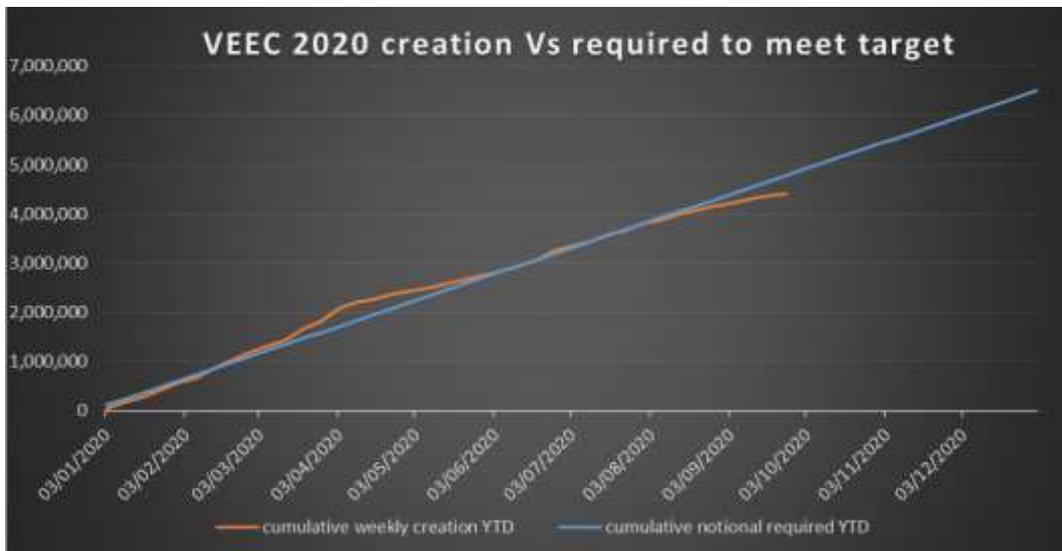
VIC VEECs

VEEC prices tumbled even as creation dipped again.

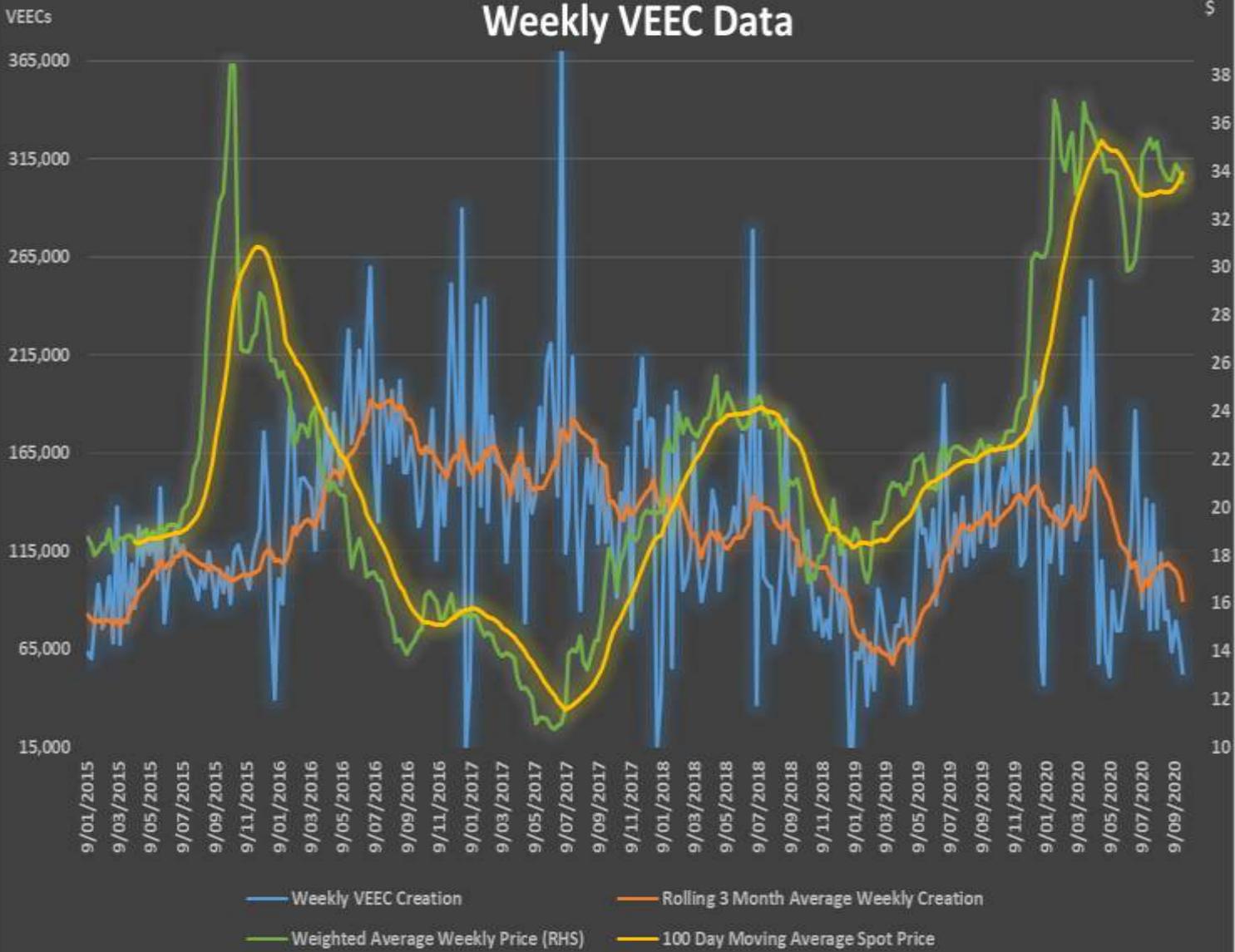
New VEEC registrations fell further this week, coming in at 53,000.

Spot trading actually opened 5 cents higher, at \$33.90. By mid-week, however, market speculation turned to the lessening COVID crisis and the possibility that some restrictions on movement may soon be lifted in Victoria, allowing VEEC creation projects to restart. The market fell to a low of \$32.85 before the last trade of the day saw a close at \$33.00. Turnover was modest with only 50,000 certificates changing hands.

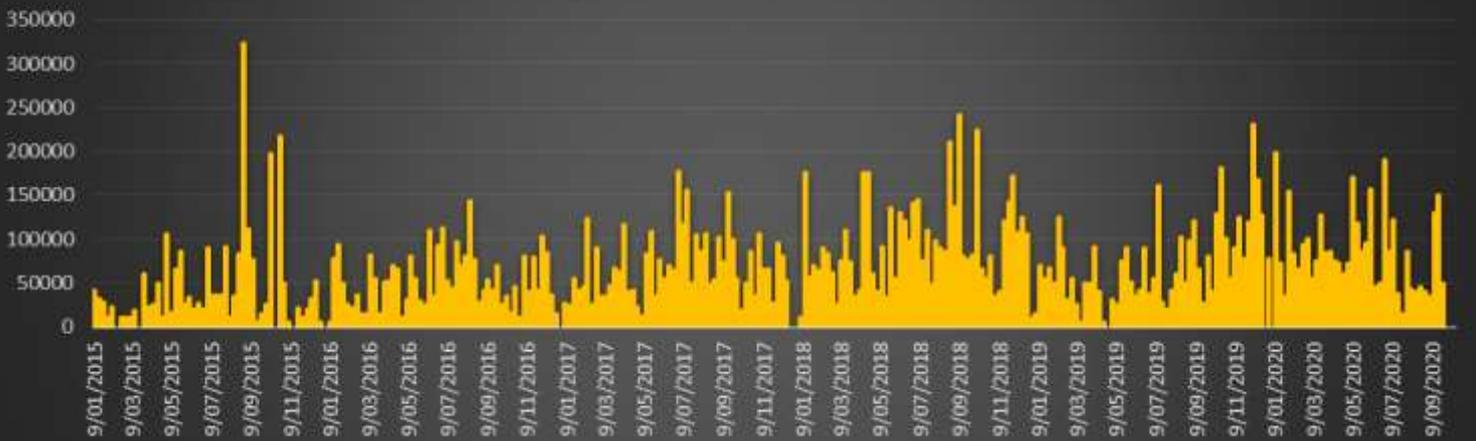
The forward market saw 260,000 VEECs contracted for delivery between October 2020 and December 2021. The curve remains mostly flat with all these trades being struck around the same level as the prevailing spot price.



Weekly VEEC Data



Weekly Traded Spot Volume



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