



EU Carbon Gives Up Price Gains as Trading Jumps Near Session End

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European Union carbon permits gave up earlier gains amid an end-of-day trading surge and as nations prepare to sell allowances at three more auctions this week.

EU carbon permits for December fell 2 cents to close at 4.32 euros (\$5.85) a ton on London's ICE Futures Europe exchange. Certified Emission Reduction credits for December closed 2 cents higher at 35 cents a ton.

EU allowances surged 27 percent on Feb. 1, the biggest one-day gain, after German Chancellor [Angela Merkel](#) endorsed Environment Minister [Peter Altmaier](#)'s proposals to curb clean-energy subsidies to keep costs in check. That may signal fewer renewable projects, boosting demand for carbon, said analysts including Eric Bickel at energy management company [Schneider Electric SA \(SU\)](#) in Louisville, [Kentucky](#).

Trading volume today jumped to 3 million tons in the 10 minutes starting 4:30 p.m. in London, almost double the volume in any other 10-minute period today, ICE data show. Earlier, prices rose as much as 6.5 percent to 4.62 euros a ton.

Germany's Merkel still may not support the European Commission's plan to temporarily limit the supply of carbon permits to fix a glut, Jan Pravda, director of Pravda Capital Trading in [Prague](#), said today by phone.

"Such a surge on the basis of such a fragile piece of information is a testimony to the instability of the emission market, which hangs its hopes on every shiver of a leaf," Pravda said. Permits will probably drop below 4 euros a ton by the end of the week, he said.

Price declines "may be inevitable" amid weekly oversupply, James Cooper, London-based analyst at Bloomberg New Energy Finance, said today in an e-mailed note.

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