

## European Union carbon permits gave up earlier gains amid an end-of-day trading

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 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.

Source: [Bloomberg](#)