

ICE Brent Futures at 16:30

Brent Crude Oil (\$/bbl)		
Month	Price	Change
OCT	100.98	+1.23
NOV	100.08	+1.21
DEC	98.81	+1.07

Energy Futures at Settlement

WTI Crude Oil (\$/bbl)		
Month	Price	Change
OCT	92.52	-2.37
NOV	92.19	-2.21
DEC	91.58	-2.07

Table of Contents

LPG Full Day Prices.....	1
LPG Mont Belvieu Snapshot.....	1
Naphtha Full Day Prices.....	1
Monthly Prices.....	2
Freight Rates & Netbacks.....	2
NWE Propane Forward Prices...	2
Global Forward Prices.....	3

BLENDERS TARGET BUTANE AS CHEMS PROPANE DEMAND UNCERTAIN

CIF ARA propane swaps for September ended Thursday gauged at \$662/t inside the 4:00-4:30 p.m. BST timeframe, off by \$2/t on day.

No physical shows were seen in either propane or butane markets once more. Without any market indications, OPIS left the propane assessment unchanged at +\$0.50/t to September quotes.

The CIF ARA butane price relation to naphtha shifted to September naphtha from August. Market feedback suggested "the large [cargo] butane market is view[ed] at least around 95-96% Nap now, although physical activities are scarce."

OPIS assessed the large-cargo butane market at 95.50% to September naphtha in line with the market feedback. Meanwhile, the coaster sector was heard to be seeing "more activity," bringing values to 94% to naphtha.

A second source said the coaster/barge markets were seeing values moving towards "naphtha parity and above". Barge traffic inside the Amsterdam-Rotterdam-Antwerp (ARA) hub has backed up with vessels heading to the Upper Rhine amid very low water levels. However, barge traffic is expected to gradually ease as fresh rains have brought a higher river level, particularly at the pinch point of Kaub in Germany, last registering at over 100cm depth.

Despite a lack of public activity in the butane sector recently, butane futures have also alluded to expectations of a tightening market, equating to higher valuations to naphtha. A September swap in the morning was concluded at \$645/t outright, equating to 95.6% to September naphtha, while a second deal on the heels of the first trade pitched October

(Continued on Page 3)

OPIS LPG Settle Prices (\$/mt)

Location	Low	High	Mean	Change	MTD Avg
Propane CIF ARA	660.50	664.50	662.50	-2.00	633.474
Butane CIF ARA (+4,000mt)	630.00	634.00	632.00	+24.50	601.421
Propane FOB Med	808.00	812.00	810.00	0.00	776.053
Butane FOB Med	698.00	702.00	700.00	+25.00	663.421

OPIS CIF ARA Propane Swaps (\$/mt)

	Mean	Change
September 4:00-4:30pm	662.00	-2.00
Physical-Paper Differential	+0.50	0.00

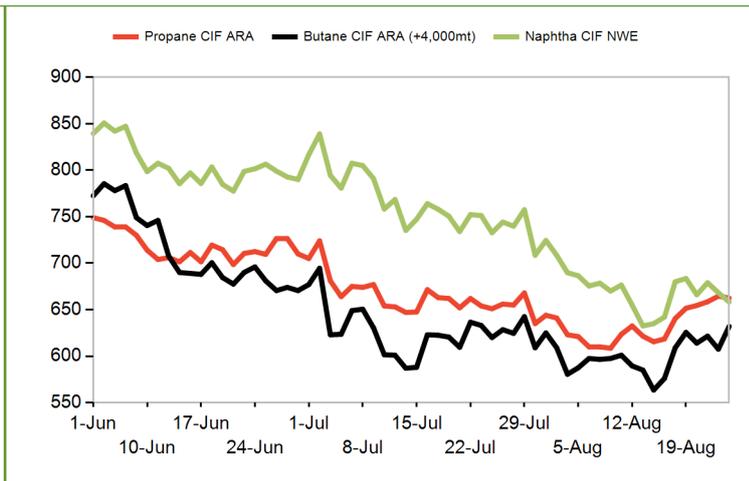
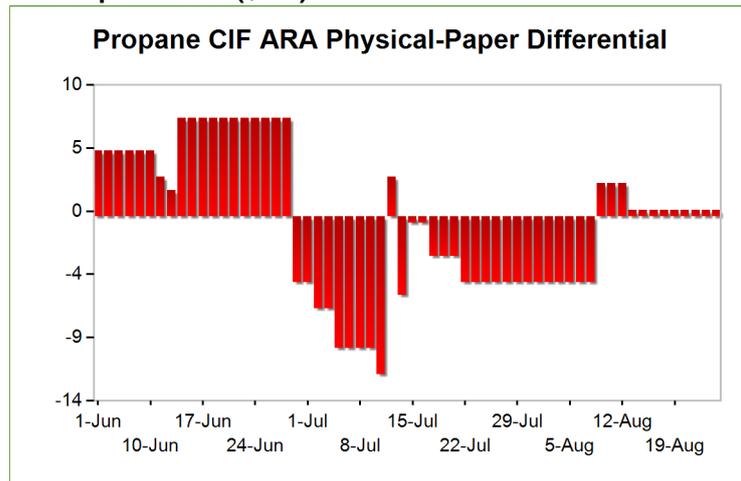
OPIS LPG Mont Belvieu Snapshot (\$/mt)

Location	Mean	Change	MTD Avg
Mont Belvieu Non-TET Propane	579.61	-5.21	569.707
Mont Belvieu Non-TET Butane	558.32	-3.40	560.021

OPIS Naphtha Settle Prices (\$/mt)

	Mean	Change	MTD Avg	Diff to Flat Price
Naphtha CIF NWE (4:00-4:30pm UK time)	658.25	-10.00	674.618	-- --
Open-Spec Naphtha	646.25	-10.00	666.461	-12.00
Paraffinic Naphtha	688.25	-10.00	712.776	30.00

OPIS Spot Prices (\$/mt)



OPIS Europe LPG & Naphtha Report

25 August 2022

OPIS Global Spot LPG Prices (\$/mt)		Propane		Butane	
	Date	Price	Change	Price	Change
CIF ARA	25-Aug-2022	662.50	-2.00	632.00	+24.50
CFR Japan	25-Aug-2022	699.75	-4.75	689.75	-4.75
Mont Belvieu Non-TET	24-Aug-2022	587.43	+5.21	562.85	-1.70
FOB Arab Gulf	25-Aug-2022	642.00	-2.00	632.00	-2.00

OPIS 44,000mt VLGC Freight Rates (\$/mt)

Route	Rate	Change	NWE C3 Netback	NWE C4 Netback	Route	Rate	Change	NWE C3 Netback	NWE C4 Netback
AG - Japan	63.50	0.00	-- --	-- --	USGC - NWE	55.00	+3.00	607.50	577.00

August LPG Posted Prices (\$/mt)

	Propane		Butane	
	Price	Change	Price	Change
Saudi Arabia FOB	670.00	-55.00	660.00	-65.00
Algeria FOB	660.00	-40.00	645.00	-5.00
North Sea	635.50	-60.00	608.00	-49.00

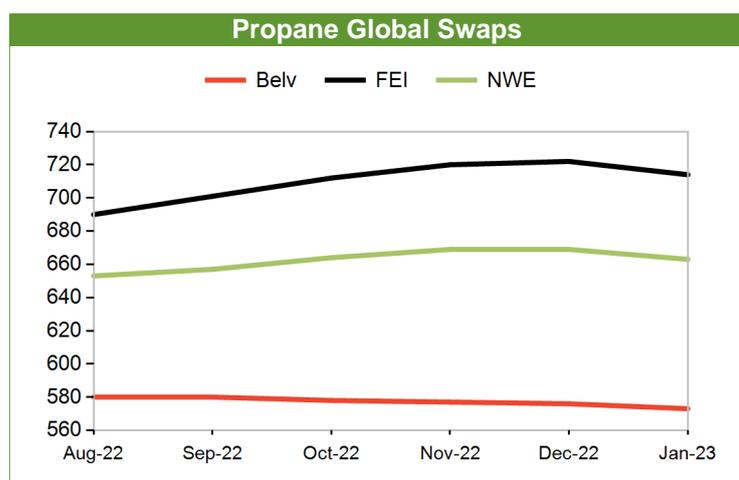
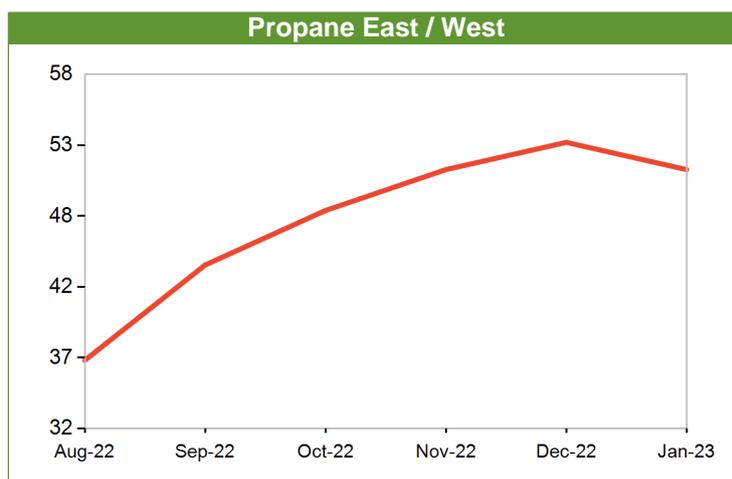
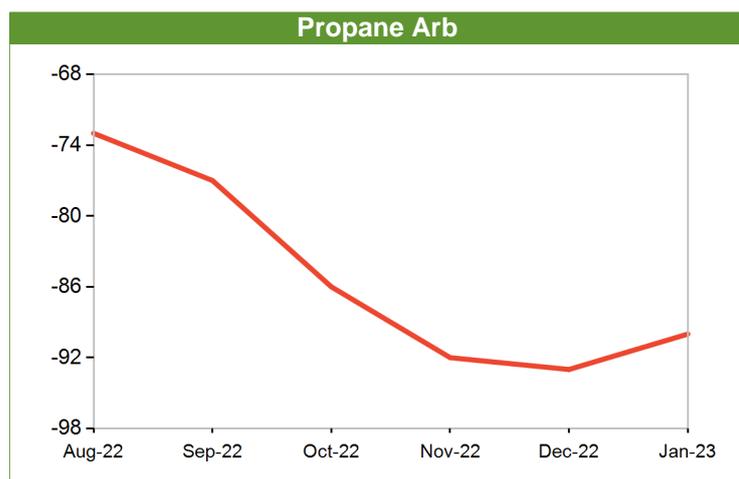
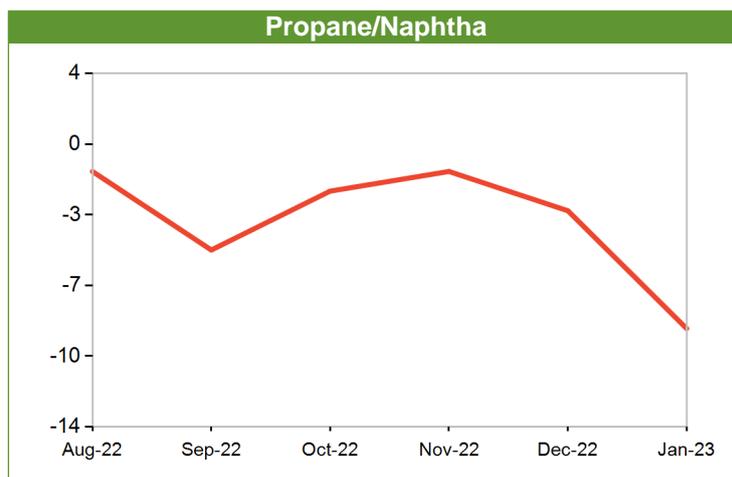
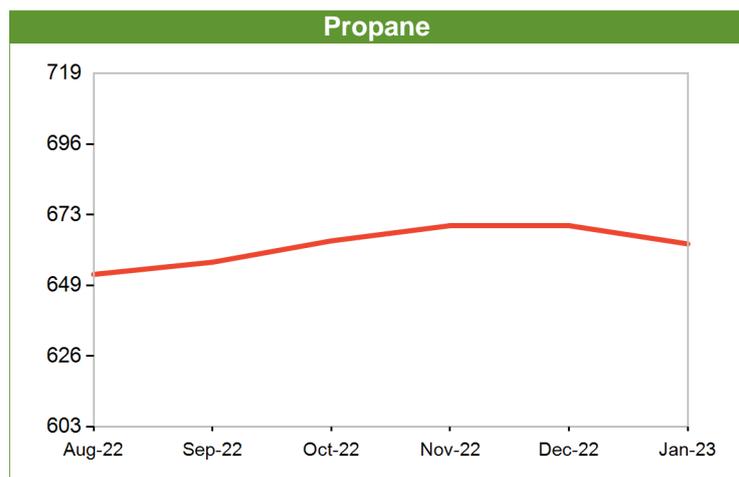
OPIS End of Day NWE Forwards Prices (\$/mt)

Month	Min	Max	Mean	Change	Time Spread	Pro/Nap	Naphtha	Change
AUG 2022	651.00	655.00	653.00	-3.00	-4.00	-1.00	654.00	-3.00
SEP 2022	655.00	659.00	657.00	-4.00	-7.00	-5.00	662.00	-3.00
OCT 2022	662.00	666.00	664.00	-4.00	-5.00	-2.00	666.00	-3.00
NOV 2022	667.00	671.00	669.00	-3.00	0.00	-1.00	670.00	-3.00
DEC 2022	667.00	671.00	669.00	-3.00	+6.00	-3.00	672.00	-4.00
JAN 2023	661.00	665.00	663.00	-3.00	+12.00	-9.00	672.00	-4.00
FEB 2023	649.00	653.00	651.00	-1.00	+27.00	-17.00	668.00	-5.00
MAR 2023	622.00	626.00	624.00	-1.00	+26.00	-40.00	664.00	-4.00
APR 2023	596.00	600.00	598.00	0.00	+15.00	-61.00	659.00	-5.00
MAY 2023	581.00	585.00	583.00	-1.00	+6.00	-72.00	655.00	-5.00
JUN 2023	575.00	579.00	577.00	0.00	0.00	-74.00	651.00	-6.00
JUL 2023	575.00	579.00	577.00	0.00	-2.00	-71.00	648.00	-6.00
AUG 2023	577.00	581.00	579.00	+1.00	-- --	-66.00	645.00	-6.00
Q3 2022	653.00	657.00	655.00	-3.00	-12.00	-3.00	658.00	-3.00
Q4 2022	665.00	669.00	667.00	-4.00	+21.00	-2.00	669.00	-4.00
Q1 2023	644.00	648.00	646.00	-2.00	+60.00	-22.00	668.00	-4.00
Q2 2023	584.00	588.00	586.00	0.00	+7.00	-69.00	655.00	-5.00
Q3 2023	577.00	581.00	579.00	+1.00	-- --	-66.00	645.00	-6.00
CAL 2022	660.00	664.00	662.00	-4.00	+62.00	-3.00	665.00	-3.00
CAL 2023	598.00	602.00	600.00	0.00	-- --	-51.00	651.00	-6.00

OPIS Global Propane Forward Prices (\$/mt)

Month	Belv.	Change	Arb	CP	Change	FEI	Change	E/W
AUG 2022	580.00	-4.00	-73.00	-- --	-- --	690.00	-6.00	+37.00
SEP 2022	580.00	-3.00	-77.00	651.00	0.00	701.00	-4.00	+44.00
OCT 2022	578.00	-2.00	-86.00	669.00	-2.00	712.00	-2.00	+48.00
NOV 2022	577.00	-3.00	-92.00	680.00	-2.00	720.00	0.00	+51.00
DEC 2022	576.00	-3.00	-93.00	689.00	-1.00	722.00	+2.00	+53.00
JAN 2023	573.00	-1.00	-90.00	692.00	0.00	714.00	0.00	+51.00
FEB 2023	566.00	-1.00	-85.00	681.00	+1.00	698.00	-3.00	+47.00
MAR 2023	541.00	0.00	-83.00	654.00	+2.00	669.00	-2.00	+45.00
APR 2023	517.00	+2.00	-81.00	626.00	+2.00	643.00	+1.00	+45.00
MAY 2023	506.00	+4.00	-77.00	607.00	0.00	630.00	+4.00	+47.00
JUN 2023	501.00	+4.00	-76.00	598.00	+1.00	624.00	+5.00	+47.00
JUL 2023	500.00	+4.00	-77.00	595.00	+3.00	623.00	+4.00	+46.00
AUG 2023	501.00	+4.00	-78.00	595.00	+4.00	625.00	+5.00	+46.00
Q3 2022	580.00	-4.00	-75.00	651.00	0.00	696.00	-5.00	+41.00
Q4 2022	577.00	-3.00	-90.00	679.00	-2.00	718.00	0.00	+51.00
Q1 2023	560.00	-1.00	-86.00	675.00	0.00	694.00	-1.00	+48.00
Q2 2023	508.00	+3.00	-78.00	610.00	+1.00	632.00	+3.00	+46.00
Q3 2023	501.00	+4.00	-78.00	595.00	+4.00	625.00	+4.00	+46.00
CAL 2022	578.00	-3.00	-84.00	672.00	-1.00	709.00	-2.00	+47.00
CAL 2023	518.00	+2.00	-82.00	620.00	+2.00	646.00	+2.00	+46.00

OPIS 6-Month Forward Curve (\$/mt)



(Continued from Page 1)

butane at the equivalent of 97.2% to naphtha. Refiners typically start to begin their blend-up period at this time of year in order to meet the raised winter gasoline vapor pressure requirement. Though interest from blenders was heard to have picked up in the past week, large cargo trade into the refinery at Pembroke has been steady at 40,000 tons per month since June, according to OPIS records. There have also been some reports this year of fuel switching at refineries towards LPG, reducing ex-refinery availabilities. In 2020, the refining sector in Europe saw an estimated 570 kb/d of capacity permanently shuttered following losses from dismal fuel demand due to lockdowns during the COVID-19 pandemic. In the petrochemical sector, propane-fed steam crackers were seeing a still narrowed propane/naphtha spread for a second day as naphtha remained weak. At -\$1/t, the August spread was uneconomic for cracking and the forwards were showing minus single digits each month through to January 2023.

Natural gas surged again at the Dutch TTF spot hub, reaching the equivalent of \$92/mmBTU in early hours trading Thursday. Resulting high power costs in Europe have been plaguing industry and cracker operators alike across 2022 to date.

(Continued on Page 4)

OPIS Europe LPG & Naphtha Report Methodology

OPIS assesses daily spot propane and butane and naphtha prices at the key trading hubs in northwest Europe and the Mediterranean region. Editors record and confirm deals, bids and offers, analyse supply and demand fundamentals, and gauge market sentiment and outlook. Prices are quoted in US dollars per metric ton. Times quoted are that of the United Kingdom.

In the northwest European propane market, OPIS assesses cargoes CIF basis Flushing for 10-25 days forward delivery. The grade and quality, delivery and nomination terms are based on the prevailing, industry-accepted forward contract, such as the TOT contract. Positions referencing alternative forward delivery contracts will be considered if the dates fall into the 10-25 day forward delivery range. The volume for the assessment of CIF ARA Propane cargoes in the OPIS Europe LPG & Naphtha Report is a nominal 22,000 metric tons with a plus/minus 5% tolerance. The cargo quantity range considered for assessment will therefore be 20,900 – 23,100 metric tons in the seller's option.

Butane prices are for field grade mixed butane cargoes above 4,000mt delivered 10-25 days forward basis CIF ARA.

In the Mediterranean, OPIS assesses field grade and refinery grade propane and butane FOB basis Lavera 5-15 days forward. Cargo sizes are 1,500mt and above.

The physical flat naphtha price assessment is based on public physical spot deals transacted between 4:00-4:30pm London time. The delivery period assessed is a forward 10-25 delivery window basis CIF NWE, also termed CIF Rotterdam. The typical cargo size for assessment purposes will be in the range 12.5-25kt and deals done in larger volumes may at times be included at the discretion of the editor.

OPIS assesses on a full day basis for the Open Spec and for Paraffinic grade (LVN) naphtha (basis min 80% paraffins).

For further details on the LPG or naphtha methodology see www.opisnet.com/about/methodology.aspx

OPIS contacts a cross-section of market participants daily. Information published is according to the best available data on the day and is subject to change. Please direct any enquiries to energy@pedseurope@opisnet.com

OPIS Europe LPG & Naphtha Editorial Staff

Karen Tang (London, UK)
ktang@opisnet.com
+44 779 415 0133
ICE: ktang11

Diane Miller (NJ, USA)
dmiller@opisnet.com
+1 732 730 2530
ICE: dmiller_opis

Dermot McGowan (London, UK)
dmcgowan@opisnet.com
+44 752 522 5300
ICE: dmcgowan

Ciaran Tyler (London, UK)
ctyler@opisnet.com
+44 755 389 2070
ICE: ciatyler

Yazdi Merchant (London, UK)
ymerchant@opisnet.com
+44 7801 383135
ICE: ymerchant

Cuckoo James (London, UK)
cjames@opisnet.com
+44 7773 646543
ICE: cjames9

Ron Nissimov (Houston, USA)
rnissimov@opisnet.com
+1 832 679 7168
ICE: rnissimov

(Continued from Page 3)

--Dermot McGowan, dmcgowan@opisnet.com (Europe LPG)

CIF ARA BUTANE 95.50% TO SEPTEMBER NAPHTHA

NO PHYSICAL SHOWS

Several deals were reported Thursday in what had been a prolonged quiet FOB U.S. Gulf Coast propane resale market, with FOB values moving down by a quarter cent based on market feedback.

A couple of sources on Thursday heard of spot charter deals that were either known to be done, or presumed to be done, for FOB liftings.

A U.S. chemical firm has subchartered a vessel for September 3-4 lifting, a European chemical company has subchartered a vessel for a September 21-22 loading on the U.S. East Coast at a rate of \$98.00/t from Houston to Japan, a U.S. firm has subchartered a vessel for a September 24-25 loading at a rate of \$105/t from Houston to Japan and a Japanese petrochemical company has subchartered a vessel for September 29-30 at a rate of \$102/t from Houston to Japan, the sources said.

The U.S. chemical company was heard to have paid a 4cts/gal premium to Mont Belvieu prices for the FOB cargo, one of the sources said. No other prices were heard for the FOB deals.

Another source reported Wednesday that a European trader subchartered a vessel for September 12-13 lifting from the Gulf Coast at a rate of \$97/t from Houston to Japan and that a European chemical firm subchartered a vessel for September 14-15 lifting from the Gulf Coast at a \$52/t rate from Houston to Flushing.

A source said earlier this week that the same European shipper had bought an FOB cargo for lifting on September 8-9 from a U.S. Gulf Coast producer, but the price was not heard.

FOB values for lifting in H2 September and H1 October were pegged at +4-4.5cts/gal, with a source saying Thursday that was the current spread between buyers and sellers. Values were assessed at +4.25-4.75cts/gal in the previous five sessions.

When asked why the FOB market has become so busy after only a few deals had been reported in recent month, a source quipped that "people like to lose money on physical" trades, as the source said netback values were at zero.

But OPIS on Thursday assessed notional netbacks to Asia for H2 September and H1 October lifting at 5cts/gal and 5.5ct/gal, respectively, with each value falling by 1.25cts/gal on the day. Notional netbacks to Europe for the same periods each fell by 0.5ct/gal to 4.5cts/gal and 5.5cts/gal, respectively.

The two freight routes out of the Gulf Coast assessed spiked Thursday with the recent activity, with the Houston-Chiba (via Panama) marker rising by \$4.50/t to \$101.50/t and Houston-Flushing increasing by \$3.00/t to \$55.00/t. The AG-Japan marker was flat at \$63.50/t.

FOB USGC PROPANE H2 SEP LOW / HIGH / MEAN
4.000/4.500/4.250

FOB USGC PROPANE H1 OCT LOW / HIGH / MEAN
4.000/4.500/4.250

--Ron Nissimov, rnissimov@opisnet.com (FOB USGC)

(Continued on Page 5)

NWE LPG IMPORTS

SEPTEMBER

- Berge Nantong, ex Houston, Idg early-September, est. 46kt LPG, ETA Terneuzen
- Hellas Poseidon, ex Nederland, Idg mid-August, est. 46kt LPG, ETA LE Havre 2 September

AUGUST

- Sarv Shakti, ex MHK, Idg mid-August, est. 46kt LPG, ETA Antwerp 30 August
- JS Ineos Ingenuity, ex MHK, Idg mid-August, est. 15kt LPG, ETA Rotterdam 30 August
- Clipper Jupiter, ex MHK, Idg mid-August, est. 34kt LPG, ETA Antwerp 29 August
- Koksijde, ex MHK, Idg mid-August, est. 20kt LPG, arr Le Havre 24 August
- Clermont, ex MHK, Idg mid-August, est. 46kt LPG, ETA Terneuzen 25 August
- BW Tucana, ex Freeport, Idg early-August, est. 46kt LPG, arr Porvoo 24 August
- Clipper Orion, ex Trinidad, Idg late-July, est. 34kt LPG, arr Jorf Lasfar 13 August, arr AGT 24 August
- Vega Song, ex MHK, Idg early-August, est. 46kt LPG, arr Terneuzen 19 August, ETA AGT 25 August
- Chinook, ex MHK, Idg early-August, est. 46kt LPG, arr Antwerp 18 August
- Navigator Genesis, ex Arzew, Idg mid-August, est. 12kt LPG, arr Rotterdam 19 August
- Yuhsan, ex Houston, Idg early-August, est. 46kt LPG, arr Antwerp 20 August, arr Terneuzen 25 August
- Navigator Yauza, ex MHK, Idg late-July, est. 12kt LPG, arr Porvoo 7 August
- Oriental Jubilee, ex Nederland, Idg mid-July, est. 46kt LPG, arr Terneuzen 14 August

**unconfirmed

NAPHTHA'S WEAKNESS PUSHES PRODUCT FURTHER DOWN WHILE BRENT ADVANCES

Brent jumped forward while naphtha dropped back Thursday in a repeat of Wednesday's market. Naphtha fell by \$10/t (\$1.11/bbl) to \$658.25/t on slack demand. Brent, on the other hand, advanced by \$1.23/bbl (1.9%) to \$100.98/bbl amid reports that OPEC may consider cutting production.

Naphtha cracks deteriorated further on day to post new multi-year lows, with August sliding by \$1.66/bbl to -\$27.02/bbl and September by \$1.60/bbl to -\$25.40/bbl. The August/September contango was stationary on -\$7.50/t, but the September/October contango worsened a tad, slipping from -\$4/t to -\$4.50/t.

The 4:00-4:30pm BST public pricing session saw a total of nine September futures swaps amounting to 47,200 tons dealt inside it. Despite the active session, naphtha swaps underlined the product's current weakness as the session's average price of \$661.25/t was under that for the previous session.

The flat price Thursday was set in line with the swap and methodology at \$658.25/t.

The open specification and paraffinic naphtha differentials to spot price were static on -\$12/t and +\$30/t respectively.

Gasoline prices rebounded a little following their previous day's crash, with EBOB gaining \$15.92/t (\$1.91/bbl, 1.7%) to \$921.07/t. The EBOB crack rose by 23cts/bbl to \$9.86/bbl, but the RBOB crack versus Brent nudged lower by 10cts/bbl to \$17.87/bbl. The gasoline/naphtha spread regained much of its prior day losses as it widened from \$249.51/t to \$265.25/t.

Asian naphtha prices fell more steeply than European naphtha on day, leading the East/West naphtha spread to narrow to \$23.75/t from \$24.50/t previously.

--Yazdi Merchant, ymerchant@opisnet.com (Europe Naphtha)

DELIVERED NWE ETHANE PRICES MIXED

Notional CIF NWE Ethane ex-Marcus Hook -- \$624.43/t, down \$27.54/t.

Notional CIF NWE Ethane ex-Morgan's Point -- \$650.23/t, down \$13.49/t.

--Dermot McGowan, dmcgowan@opisnet.com (Europe ethane)

NWE SPOT ETHANE IMPORTS

AUGUST

- Pacific Jupiter, ex Houston, Idg 8-12 August, est. 9kt ethane, ETA NW Europe 2H August

14 HYDROGEN TRAINS READY FOR PASSENGER SERVICE ON DEDICATED ROUTE IN GERMANY

The world's first hydrogen train, the Coradia iLint, is ready to transport passengers on a dedicated hydrogen-operated train route, according to a press statement from French rail manufacturer the Alstom Group Wednesday.

Fourteen Coradia iLint trains, powered by hydrogen fuel cells, will be used on the route in Bremervörde, Germany, some 35 miles from Hamburg, Alstom said. The 14 vehicles belong to state subsidiary Landesnahverkehrsgesellschaft Niedersachsen.

The trains are expected to gradually replace the 15 diesel trains currently running on the route, the press statement said, without giving a timeline. The trains can travel at a maximum speed of 140 kilometers/hour and will be re-fueled at the Linde hydrogen filling station, which has a hydrogen capacity of 1,800 kilograms. One kilogram of hydrogen corresponds to approximately 4.5 litres of diesel fuel, according to Alstom. The trains only emit steam and condensed water.

"Alstom has a clear ambition to become the world leader in alternative propulsion systems for rail," said CEO Alstom Henri

Poupart-Lafarge. "The world's first hydrogen train, the Coradia iLint, demonstrates our clear commitment to green mobility combined with state-of-the-art technology."

Alstom has four contracts to run hydrogen fuel cell-powered regional trains, two of which are in Germany, with a third contract for six trains in the Lombardy region of Italy. The fourth contract is for delivery of 12 Coradia Polyvalent hydrogen trains to run across four different French regions. The vehicles have also been successfully tested in Austria, the Netherlands, Poland and Sweden.

--Reporting by Benita Dreesen, bdreesen@opisnet.com; Editing by Rob Sheridan, rsheridan@opisnet.com

U.K. DIESEL DEMAND RISES IN Q2, BROADLY MATCHING PRE-PANDEMIC LEVELS

Demand for transport fuels in the United Kingdom continued to grow in the three months to June 2022, with deliveries of diesel in line with levels seen before the COVID-19 pandemic struck, according to provisional U.K. government data released Thursday.

Deliveries of diesel fuel for inland consumption, a key indicator of demand, recorded an 8.2% increase to 6.01 million metric tons in April through June, from 5.56 million mt in the same period of 2021. Gasoline demand recorded a 6.1% gain to 2.82 million mt in the second quarter of 2022 from 2.65 million mt in the same period of 2021. Diesel is now broadly in line with pre-pandemic levels, down only 0.7% compared to Q2 2019, while gasoline demand is down 5.6% over the same period.

Aviation fuel demand tripled to 2.62 million mt in April through June, from just 851,000 mt in the same three months of 2021. That's the biggest increase of the three transport fuels, jet, gasoline, and diesel. Despite significant recovery, demand for jet fuel is still 19% lower than that seen in the same time frame of 2019.

Meanwhile, jet fuel production skyrocketed in the second quarter of this year by 234% to 1.01 million mt compared to 2021 data and is now just 10% lower than pre-pandemic levels, according to the U.K. government's provisional data.

Gasoline production jumped 23.4% in April through June, compared to the same period last year, while diesel fuel was up 6.4%. Production of both fuels exceeded the levels seen before the pandemic in Q2 2019.

Overall U.K. refinery output was up 13.5% year on year to 12.95 million mt in Q2, from 11.41 million mt in the equivalent period of 2021, this is only 0.6% below the levels seen in the same period of 2019.

--Reporting by Jen Caddick, jcaddick@opisnet.com; Editing by Rob Sheridan, rsheridan@opisnet.com

ICE TO OFFER U.K. CARBON ALLOWANCE OPTIONS BY OCTOBER

The Intercontinental Exchange (ICE) announced on Thursday that it will list U.K. carbon emission allowance (UKAs) options by early October, providing British carbon compliance market participants with the chance to buy or sell allowances at set prices.

The trading platform, which already hosts the UKA futures market, said that it expects to have its UKA Options listing up and running by October 10, pending approval from regulatory bodies. The expected listing would have U.K. options up to March 2024 and the underlying contracts for the options would be based on the December U.K. emissions allowance futures for the respective year, ICE said in a statement.

Each lot of U.K. carbon allowance futures on ICE amounts to 1,000 U.K. allowances; an allowance is equivalent to one metric ton of carbon dioxide.

"The launch of U.K. Carbon Options follows the successful launch of the U.K. carbon market last year and should provide a meaningful new tool for our customers to manage carbon emissions price risk," said Gordon Bennett, the managing director of utility markets at ICE, in statement.

The U.K.'s cap and trade system, the U.K. ETS, launched in January 2021 after the end of a post-Brexit transition period that saw the U.K. briefly stay in the EU's single market for goods and services after voting for Brexit in June 2016. ICE has listed UK carbon allowances as futures since May 2021 and has also auctioned emissions on behalf of the U.K. government.

Since the U.K. ETS began life last year, UKAs have traded at a premium to European Union emissions allowances (EUAs), with the result that British installations subject to the U.K. ETS must pay a higher price for emitting carbon than those located in the EU.

The U.K. ETS has low liquidity and it lacks the surplus of allowances that built up in the EU ETS during the 2008-2009 financial crisis. As a result, when both UKAs and EUAs hit record prices last Friday, it was the ICE December 2022 U.K. emissions allowance contract that became the world's most expensive carbon compliance contract. The contract rose to a record £99/mt (\$117) intra-day price last Friday compared to 99.22 euros/mt (\$98.92) for the ICE December 2022 EUAs contract.

--Reporting by Humberto J. Rocha, hrocha@opisnet.com; Editing by Anthony Lane, alane@opisnet.com