

NOx Markets – December 2009

Monthly Market Update

evomark	END OF MONTH SETTLE	MONTHLY AVERAGE
Seasonal 09	\$70	\$75
Annual 09	\$680	\$660
Annual 10	\$670	\$643

Market Activity » Annual Allowances

CAIR Annual NOx allowances ended the month higher at \$680, compared to November's close of \$625.

The increase comes as utilities nearly have a full picture of yearly allowance needs, and many attempted to make purchases during their 2009 budget year. Also, sellers appeared to be backing off and avoided making transactions unless they needed to report the cash before the end of the 2009 fiscal year.

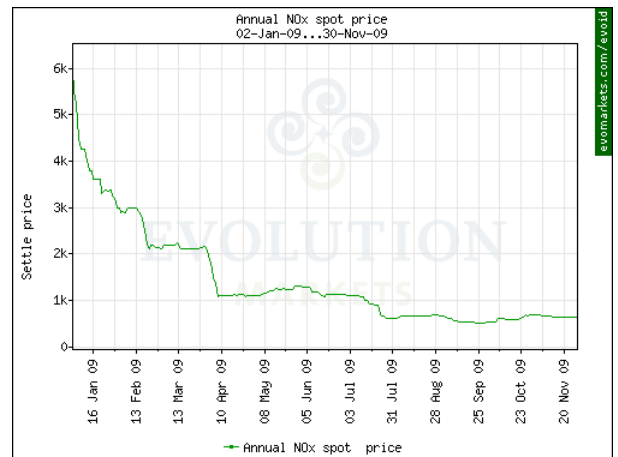
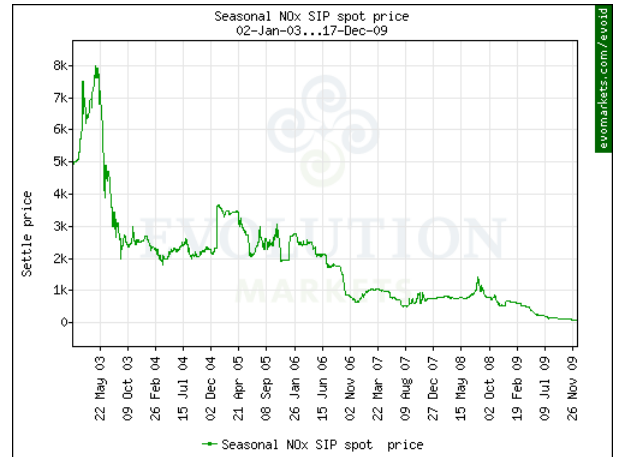
Vintage 2010 also closed December higher at \$670, compared to \$600 in the previous month. The spread between vintage 2009 and 2010 allowances tightened to around \$10. Participants are anticipating a continued tightening of the spread as both vintages converge in price leading into the 2009 compliance true-up.

▼ TERM	▼ BID	▼ OFFER
2009	\$660	\$690
2010	\$650	\$680

Market Activity » Seasonal Allowances

With seasonal NOx compliance for 2009 officially closed, the seasonal market was fairly inactive. Prices ended the month at \$70 for the vintage 2010 and \$20 for the vintage 2011. Likely, the market will remain quiet as the operating season is many months away and the fundamentals remain heavily oversupplied.

▼ TERM	▼ BID	▼ OFFER
2009	\$60	\$75
2010	\$60	\$75



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