

# NOx Markets – November 2009

## Monthly Market Update

evomark	END OF MONTH SETTLE	MONTHLY AVERAGE
Seasonal 09	\$100	\$111
Annual 09	\$625	\$650
Annual 10	\$600	\$630

### Market Activity » Annual Allowances

CAIR Annual NOx allowances ended the month lower at \$625, compared to October's close of \$685. The decrease in pricing comes from a lack of follow through utility purchasing, which was a downward price driver in the previous month.

Perhaps, last month's broad purchasing satisfied near term needs, leading to light demand this month. In addition to light buying, the sell-side of the market became more supplied as several who feared they missed the rally last month tried to monetize in case prices continued to drop. Vintage 2010 closed November at \$600, compared to \$665 in the previous month. The spread between vintage 2009 and 2010 allowances remained flat at around \$25. It seems participants are anticipating a continued tightening of the spread as both vintages converge in price leading into the 2009 compliance true-up.

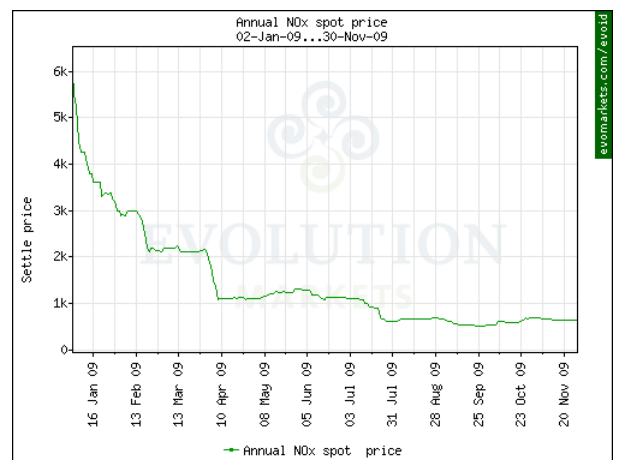
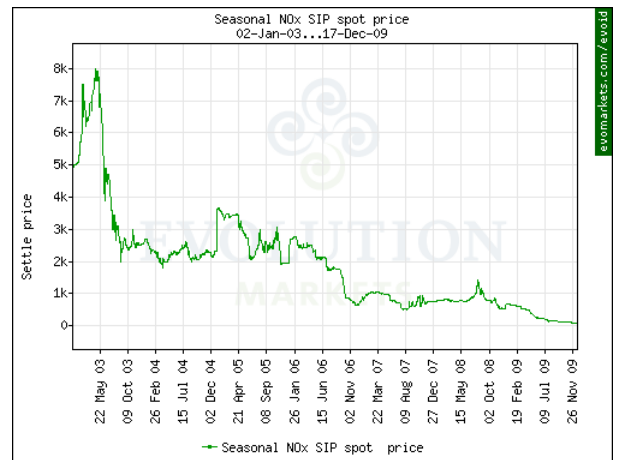
▼ TERM	▼ BID	▼ OFFER
2009	\$620	\$630
2010	\$600	\$615

### Market Activity » Seasonal Allowances

Seasonal NOx compliance for 2009 officially came to a close at the end of the month. The Vintage 2009 prices finished the month around \$100, down \$125 from the previous month. However, it should be noted that some last minute buyers did end up purchasing higher prices as purchasing so close to the deadline limited their options.

Vintage 2010 will now be the current spot allowance, but likely the market will remain quiet going into the next month as the operating season is many months away and the fundamentals remain heavily oversupplied. Additionally, Vintage 2011 transactions occurred for \$70, indicating that some participants still believe the program and current allowances will remain intact until 2012. -- but will continue to be very over supplied into the future.

▼ TERM	▼ BID	▼ OFFER
2009	\$95	\$105
2010	\$90	\$100



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