LSEG Commodities Research

Q1 2026 EUA & UKA Price Update

Fundamental Supply & Demand

LSEG Carbon Research updates its EUA & UKA price, supply & demand forecasts for 2026

LSEG Carbon Research has updated its fundamental price, supply and demand forecasts for both the European Union and United Kingdom Emissions Trading Systems, taking into account many of the changes that were introduced to the markets in late-2025.

In 2025, LSEG Carbon Research forecast a fundamental price of €73.50/t for the year in the July 2025 update, the front-Dec ICE EUA price actually averaged €74.40/t in 2025, a difference of just 1.21%.

Also in 2025, LSEG Carbon Research forecast a UKA price of £50.20/t for the year in the September 2025 update; the front-Dec ICE UKA price averaged £50.16/t in 2025, in line with the September 2025 update.

Figure 1: EUA Short-term Price Forecast

Chart 1 (€/t)	Q1	Q2	Q3	Q4	2026
ICE Dec26 Average	89	81	79	90	87.9
Change on Previous	*[New]*	*[New]*	*[New]*	*[New]*	*+3.9*

Figure 1 Footnotes – *Source:* LSEG Carbon Research. Available on LSEG Workspace.

For 2026, LSEG Carbon Research has forecast that front-Dec EUA prices will average €87.90/t in 2026, up €3.90/t from the last forecast in 2026. Similarly, the front-Dec UKA forecast has also been forecasted higher by £7.70/t to £73.40/t in 2026. These upward revisions reflect the significantly tighter fundamental supply picture in both markets in 2026. Both free allocations and scheduled auctions are scheduled to be substantially shorter in 2026, and still further in 2027, which has resulted in a significant upward revision in expected prices in the short-to-medium term in both the EUA and UKA markets.