

# Monash/C2Zero Real Carbon Price Index

## Fact sheet | May 31 2022

The Monash/C2Zero Real Carbon Price Index (RCPI) provides a weighted composite measure of the physical price of carbon<sup>1</sup> across all jurisdictions, based on mandated carbon prices set by regulators and governments.

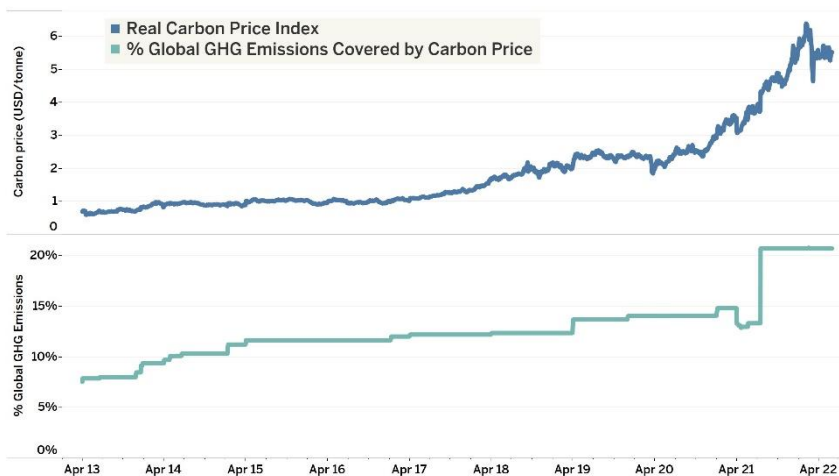
The RCPI covers national, subnational and regional jurisdictions implementing a carbon tax or carbon emissions trading schemes (ETS)<sup>2</sup> and jurisdictions with no mandatory carbon price – the latter being counted in the index using a price of zero.

The RCPI enables an overall global carbon price and price history to be determined, reflecting the global value of carbon, as priced across all jurisdictions, dating back to April 2013.

The RCPI started in April 2013, covering 20 jurisdictions, accounting for 7.88% of global GHG emissions. As of April 2022, it covered 51 jurisdictions, accounting for 20.71% of global GHG emissions.

### Historical Index Value

(April 2013- May 2022)



### Highlights

- The closing value of RCPI in May was 5.52, with fluctuations mainly driven by the volatility in EUA.
- The EUA price increased to its highest level since the invasion of Ukraine in the first week of May, pushing up the RCPI.
- The European Commission's proposal to inject more than 200 million allowances from the Market Stability Reserve (MSR) to raise funds for its energy transformation triggered the biggest drop in RCPI in ten weeks (4.03%) on May 18.
- Later, EUA price strengthened due to the upcoming pause in auction supply leading to strong buying interest.
- The China national ETS, which has the largest weight in the RCPI, was relatively static due to the ongoing lockdown and slow economy.

### Index Price Change

	Percentage Change			Annualised Percentage Change			
	1 Mo	3Mo	YTD	1Yr	3Yr	5Yr	Since April 2013
RCPI	1.67%	-3.10%	-1.13%	44.48%	33.82%	37.16%	25.65%

### Calendar Month Price Change

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2022	8.17%	-5.68%	-5.47%	0.83%	1.67%								-2.76%
2021	7.98%	5.89%	5.81%	-3.83%	12.40%	1.32%	13.96%	6.23%	1.86%	-3.49%	13.75%	6.54%	91.13%
2020	-3.79%	-0.88%	-13.53%	7.80%	2.81%	12.80%	-0.63%	5.96%	-4.31%	-5.50%	13.19%	7.93%	19.90%
2019	-6.01%	-0.65%	-1.28%	19.03%	-3.77%	5.68%	0.85%	-4.05%	-2.88%	4.42%	-0.07%	2.06%	11.68%
2018	8.86%	0.92%	12.05%	2.56%	3.34%	-0.35%	5.23%	8.28%	0.58%	-12.65%	11.57%	11.79%	62.34%
2017	5.37%	-0.19%	-5.59%	8.03%	3.46%	0.87%	3.96%	3.46%	3.22%	1.24%	3.63%	0.59%	31.15%
2016	-9.18%	-2.47%	6.59%	8.92%	-3.68%	-8.19%	0.51%	2.04%	4.06%	2.22%	-8.24%	8.34%	-1.37%
2015	2.32%	-0.69%	-3.01%	17.46%	-3.73%	0.59%	-0.62%	2.89%	0.09%	2.15%	-2.59%	0.53%	14.75%
2014	3.12%	12.59%	-14.57%	13.82%	-3.57%	6.40%	-0.73%	-2.04%	-6.51%	-0.14%	2.21%	-0.43%	7.03%
2013				-10.03%	5.22%	2.33%	3.26%	1.41%	5.69%	-1.13%	-0.72%	15.83%	16.01% <sup>3</sup>

<sup>1</sup> It refers to carbon dioxide equivalents or CO<sub>2</sub>e.

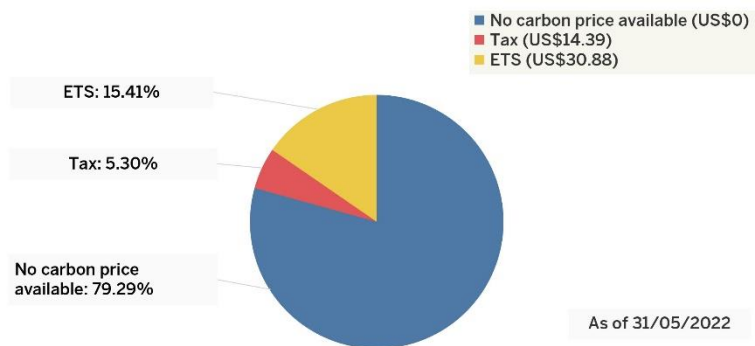
<sup>2</sup> As of April 2021, 65 national, subnational and regional jurisdictions had implemented a carbon tax or carbon ETS. The RCPI covers 51 of those jurisdictions. The other 14 jurisdictions are excluded due to the lack of available data.

<sup>3</sup> The return is calculated as the annualised price change from April 2013 to December 2013.

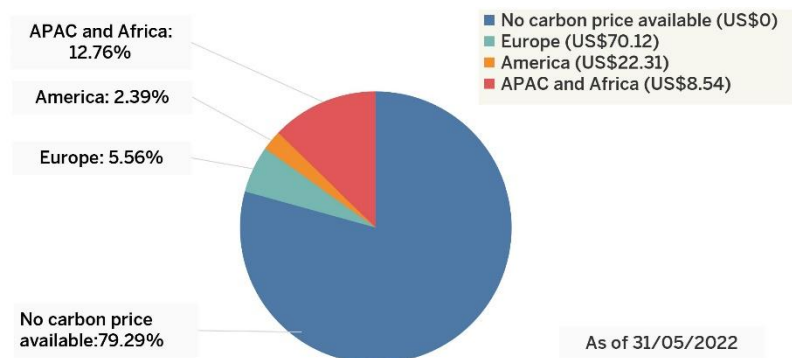
## Top 10 Constituents

Jurisdiction	Instrument	% Global GHG Emissions	Price (US\$/tonne) (31/05/2022)
China National ETS	ETS	7.38%	8.84
EU ETS	ETS	3.14%	89.78
Japan carbon tax	Tax	1.82%	2.25
Korea ETS	ETS	0.95%	18.10
South Africa carbon tax	Tax	0.95%	8.57
Germany ETS	ETS	0.74%	32.20
California CaT	ETS	0.65%	32.05
Ukraine carbon tax	Tax	0.41%	0.34
UK ETS	ETS	0.36%	101.94
Mexico carbon tax	Tax	0.35%	3.31

## Instrument Weights



## Region Weights



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