

Monash/C2Zero Real Carbon Price Index

Fact sheet | 31 May 2023

The Monash/C2Zero Real Carbon Price Index (RCPI) provides a weighted composite measure of the physical price of carbon¹ across all jurisdictions based on mandated carbon prices set by regulators and governments.

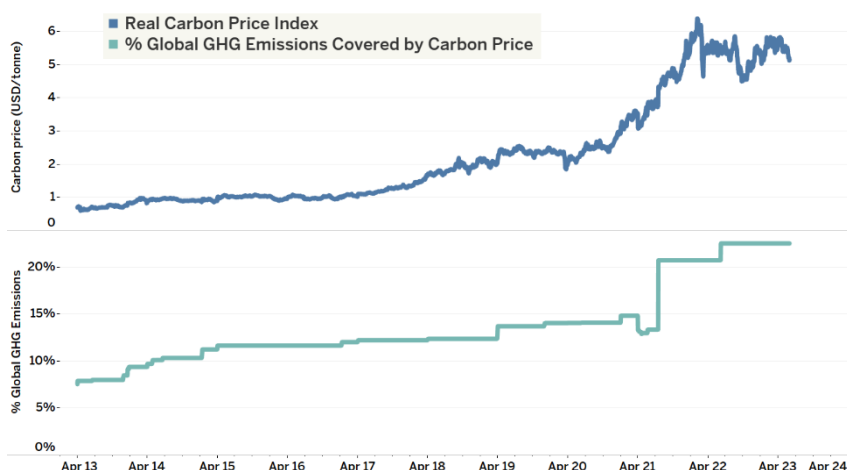
The RCPI covers national, subnational and regional jurisdictions implementing a carbon tax or carbon emissions trading schemes (ETS)² and jurisdictions with no mandatory carbon price – the latter being counted in the index using a price of zero.

The RCPI enables an overall global carbon price and price history to be determined, reflecting the global value of carbon.

The RCPI started in April 2013, covering 20 jurisdictions, accounting for 7.88% of global GHG emissions. As of May 2023, it covered 58 jurisdictions, accounting for 22.5% of global GHG emissions.

Historical Index Value

(April 2013- May 2023)



Highlights

- Last month, global carbon prices continued their downward trend, settling at -5.69%.
- The European Union Allowances (EUAs) concluded the month at its four-month low since January (USD 84.66/tonne). However, the bearish trend seems to bottom out as most fuel switching is done, and investors have reached record-high short positions.
- The Korea ETS made a recovery of 6.9% compared to the previous month's loss, as discussions about lifting the current limit on offset utilization for ETS compliance were ongoing.
- The upward trends in the Korean ETS and the China National ETS helped counterbalance the negative impact of the EU ETS on global carbon prices to some extent.

Index Price Change

	Percentage Change			Annualised Percentage Change			
	1 Mo	3Mo	YTD	1Yr	3Yr	5Yr	Since April 2013
RCPI	-5.69%	-10.18%	-2.38%	-6.54%	32.33%	24.09%	21.82%

Calendar Month Price Change

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	7.59%	1.02%	-2.04%	-2.77%	-5.69%								-2.38%
2022	8.17%	-5.68%	-5.47%	0.83%	1.67%	3.11%	-7.39%	-0.60%	-12.26%	9.22%	6.07%	-0.77%	-5.35%
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% ³

¹ It refers to carbon dioxide equivalents or CO₂e.

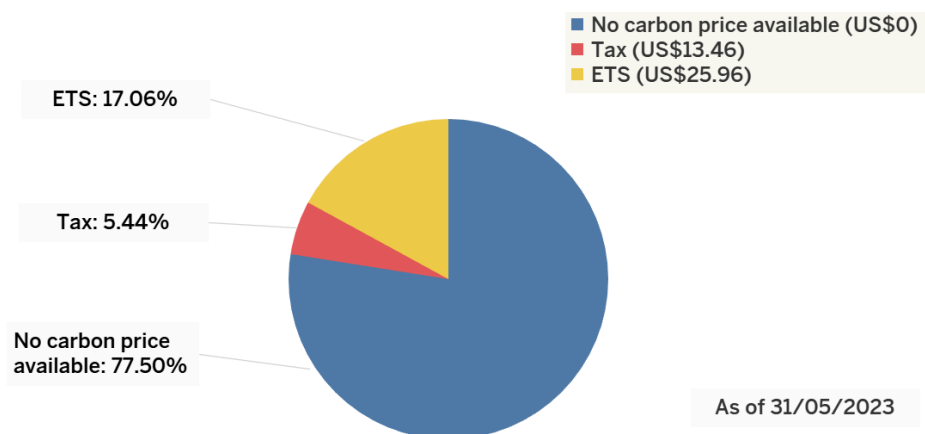
² As of June 2022, 68 national, subnational and regional jurisdictions implemented a carbon tax or ETS. The RCPI covers 58 of those jurisdictions. The other 10 jurisdictions are excluded due to the lack of available data.

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

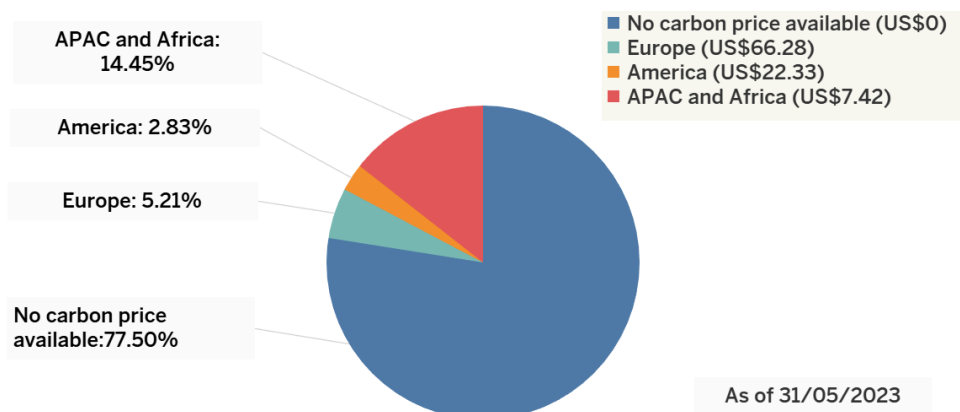
Top 10 Constituents

	Jurisdiction	Instrument	% Global GHG Emissions	Price (US\$/tonne) (31/05/2023)	Percentage change (1 Mo)
1	China National ETS	ETS	8.79%	8.23	3.52%
2	EU ETS	ETS	3.18%	84.66	-9.72%
3	Japan carbon tax	Tax	1.82%	2.07	-2.36%
4	Korea ETS	ETS	1.08%	8.98	6.90%
5	South Africa carbon tax	Tax	0.90%	7.3	-7.24%
6	Mexico carbon tax	Tax	0.69%	4.18	1.70%
7	Germany ETS	ETS	0.68%	32.07	-2.99%
8	California CaT	ETS	0.60%	30.6	-0.52%
9	China-Guangdong pilot ETS	ETS	0.51%	11.89	-2.14%
10	Ukraine carbon tax	Tax	0.39%	0.81	0.00%

Instrument Weights



Region Weights



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