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## **Carbon Emission Futures Have Tanked And What Does It Mean?**

We haven't looked at this chart since the fall of 2015. That's when we thought that carbon would rally with all the hype going into the "Paris Agreement" scheduled for the middle of that December.

That rally topped at \$8.65 at the end of that November and slumped to \$4.00 in September 2016. And then with what has been the greatest "Everything Bubble" in history, it soared to \$27 in the middle of December.

While we did not apply our technical analysis, it was clearly an outstanding blow-off. The high of \$27 compares to the \$29 reached with the peak of commodity speculation in July 2008. And now a collapse down to \$14 amounts to a 48 percent plunge. Obviously not a liquid market.



In a great financial boom everyone gets busy, with far too many becoming reckless. Unfortunately, this includes governments that were hitherto founded upon the discipline of constitutional limits. And the main ambition seems to have been to eliminate risk, which has required a massive intrusion into too many aspects of ordinary life.

One long-running intrusion has been the notion that a central bank has been needed to "manage" the economy and within this to prevent "bad things" from happening. Ironically, this was the tout in 2007 and as far back as 1929. The problem has been that with a quasi-government agency assuring there is no risk, investors abandoned preparing

for risk and created the “Everything Bubble”. Because of the Fed, nothing could go wrong.

And all past bubbles have run to exhaustion and in collapsing have been followed by lengthy contractions. The hardships of increasing unemployment could soon be an issue.

The other ambition has shown unprecedented audacity. And that has been the notion that by “managing” the temperature of the nearest planet “bad things” can be prevented. This one has been so preposterous as to claim that for the first time since life became widespread on our uniquely hospitable planet, a warming trend would be harmful to life. Think back to when Earth was totally covered in ice.

Of course, both have been reckless promotions and with a naturally occurring contraction the Left will have a suddenly different concern. And as shown, it can handle only one hysteria at a time. Lately, there has been no major anxieties about “Global Cooling” that prevailed in the early 1970s. “Ozone Holes” are no longer on “News at Eleven”. Thankfully, most have forgotten about the scare of “Alar” on apples.

The following from GWPF conveys the rapid change in priorities. And as the global financial and economic contraction extends, there will be no money for the Left’s ambition to establish even more authoritarian government. A growing number will have had enough intrusion and its cost.

GWPF Newsletter 24/03/20

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**Coronavirus Has Killed Europe's Green Deal**

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**U.N. Shifts Focus From Climate Change To Coronavirus**

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**Coronavirus Throws EU Climate Plans Into Disarray**

It is best to be clear and use a definition of an authoritarian system from physics: That which is not compulsory is prohibited.

Fortunately, as with Communism in the late 1980s, our endless experiment of in-your-face and in-your-wallet government can be reformed.

The future for Carbon Emission Futures is the dustbin of history.