



Scoring climate progress for investors

A high-frequency scorecard to track climate risk

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Different climate scenarios pose vastly different risks for investors

Which climate scenario we end up in could have a significant impact on portfolios. Assumptions about energy use, the carbon price, and investment flows look radically different in each scenario.

We introduce the ASR Climate Scenario Tracker to assess trajectory

We combine several high frequency and timely climate-related indicators to construct our ASR Climate Scenario Tracker. This allows us to estimate which path we are currently on.

Data points to 'hot house world', but signs of divergence emerging

The Tracker suggests that despite rhetoric, the world is currently on a business-as-usual path. This raises the prospect of higher physical risks facing the global economy. That said, there are signs that some countries are diverging from others.

RELATED RESEARCH:

[Climate & Agriculture: Growing Risks, 22nd July 2022](#)

[An Alternative Path to Net Zero, 13th July 2022](#)

[Macro ESG Chartbook, 6th July 2022](#)

[Assessing Climate Impacts on Growth, 29th June 2022](#)

[The Wright Price for Renewables, 22nd June 2022](#)

Key chart: The ASR Climate Scenario Tracker

Scenario:	Trend between now and 2030				Latest & scenario assessment	
	Net Zero 2050	Current Policies	Divergent Net Zero	NDCs		
Required annual CO2 change (mt)						
Global	-2,081	280	-2,075	86	-428	NDCs
China	-699	-17	-684	-76	-996	NZ
US	-294	-73	-296	-88	438	CP
Europe	-165	-50	-167	-123	22	CP
India	-39	143	-28	135	543	CP
Required annual renewable increase (%pt)						
Global	4.2	1.1	4.0	1.7	0.6	CP
China	3.7	0.7	3.4	0.9	1.1	NDC
US	6.0	1.9	5.9	2.6	1.7	CP
Europe	4.5	2.3	4.5	3.9	-0.5	CP
India	4.7	1.3	4.5	2.1	-0.7	CP
Required annual carbon price increase (\$/tonne CO2)						
Global	18.1	0.0	27.5	0.7	-	
China*	16.2	0.0	14.2	0.1	0.5	NDC
US*	30.1	0.0	26.4	0.1	6.5	NDC
Europe*	27.1	-0.4	23.4	12.7	24.8	DNZ
India	7.8	0.0	6.8	0.1	-	

Source: ASR Ltd. / NGFS / Refinitiv Datastream