

Expectation

Oil



Crude oil prices rebounded to some extent in Tuesday's trading following the quite big downside Monday. The Brent front month contract rose 0,39 USD/bbl, closing the day at 62,86 USD/bbl. The market continues to consider what to make of last week's OPEC-Russia production deal. The first price movements were negative, but we will see whether or not the market rebounds more significantly during the rest of this week. So far, Wednesday looks quite neutral.

Gas



After rising during the previous sessions due to cooler weather forecasts, the European gas prices edged down yesterday. There appeared to be a sentiment on the market that the recent upside was a bit overdone. Furthermore, the supply situation across the continent looks acceptable right now. Both short and long term contracts closed the day with a downside, but Wednesday could turn out more neutral.

Coal



On the European coal markets, prices retreated Tuesday following the big upside during the previous session. The API 2 Cal-18 contract closed the day at 85,80 USD/t, down 0,80 USD/t from Monday. The market lacks clear signals at the moment, but easing concerns regarding the French nuclear sector caused the downturn. With further French nuclear reactors approved for a restart by safety authorities, the risk of a new nuclear crisis in France during the forthcoming winter now looks very low.

Carbon



European carbon emission prices edged down for a second straight day yesterday. The decreasing concerns about the French nuclear sector, which were instrumental in the losses on the coal market, also led to the downside on the quota market. The demand for quotas will not be nearly as high during the winter if the French nuclear sector will operate as scheduled.

Hydro



Expected precipitation during the forthcoming ten days in the Nordic area is slightly above seasonal average. Most of the precipitation is however expected during the next 3-4 days, as a low pressure is currently dominating the weather conditions. From then on, the level turns drier and cooler, and both temperatures and precipitation are expected below average for most of week 50. The hydro balance remains in a solid surplus, expected at 12,6 TWh in two weeks' time.

Germany



German power prices followed the coal and carbon emission market downwards in Tuesday's trading. The country's Cal-18 contract closed the day at 36,94 EUR/MWh, down 0,16 EUR/MWh against the previous close. The contract does however remain very close to the year-high price level reached around a month ago. We expect further losses Wednesday.

Equities



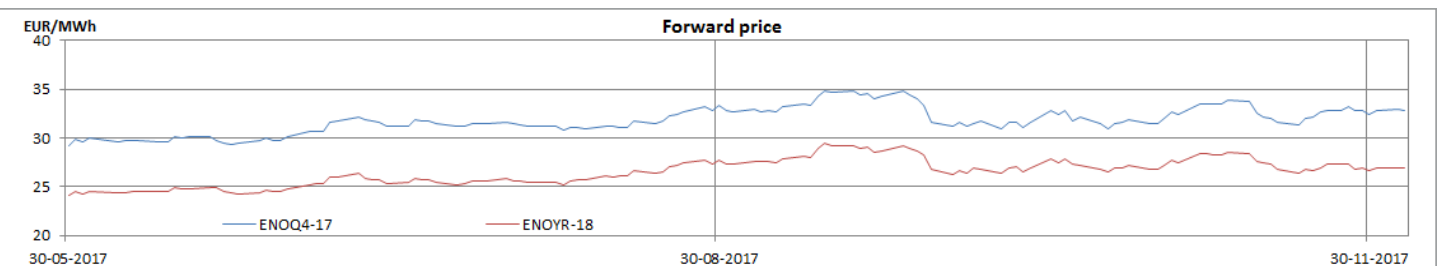
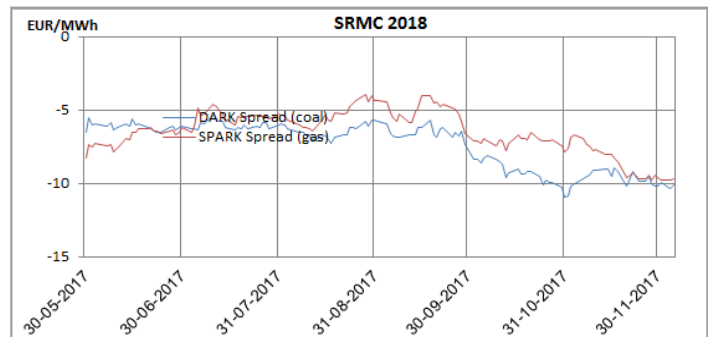
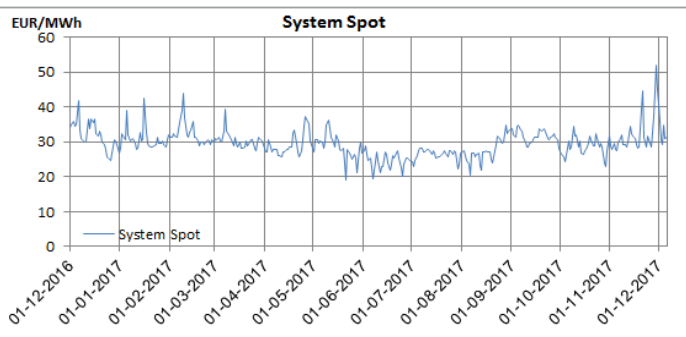
On the European stock markets, the upside from Monday disappeared yesterday, where most indexes closed with minor losses. The Stoxx600 Index fell 0,19 %. The US markets also edged down, with the S&P 500 Index down 0,37 % for the day.

Conclusion



Slightly wetter weather forecasts led to a downside on the short end of the Nordic power market Tuesday, although the cool outlook for the forthcoming week limited the losses. The Q1-18 contract closed at 32,80 EUR/MWh, down 0,10 EUR/MWh from Monday. Further out the curve, the YR-18 contract moved more or less sideways, settling the day at 26,95 EUR/MWh, up 0,03 EUR/MWh from Monday. We expect a slight downside Wednesday as the market could edged down due to the recent losses on the coal and carbon markets.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
04-dec	32,41	34,01	34,66	36,54	36,78	34,87	34,88	October	35,30	37,68	37,45	39,00	40,85	34,80	35,25	October	39,09	4,3,69	68,63
05-dec	29,60	29,96	30,57	30,57	36,52	30,58	31,10	Q4-17	33,73	35,38	34,95	36,40	38,65	32,50	32,80	Q4-17	38,43	4,3,09	76,80
06-dec	27,53	27,53	31,07	31,07	33,15	31,10	31,31	2018	30,88	32,35	29,23	30,05	33,95	26,60	26,95	2018	37,00	36,59	76,80



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