

Expectation

Oil



For a second straight day, the international crude oil market managed to stay neutral yesterday, as mixed signals to some extent offset each other. Supply from both Saudi Arabia, Russia and the US is increasing but as the market still needs to see the clear effects of the US sanctions against Iran, the market is hesitant to trade down further. The Brent front month contract closed the day at 73,17 USD/bbl, up 0,34 USD/bbl for the day. We expect falling prices today.

Gas



Monday, the European gas markets returned to the bearish sentiment which has been dominant for most of the last couple of months. Temperatures remain much milder than seasonal average, keeping demand for gas relatively low at a time where supply is improving due to an increase in LNG arrivals. The losses on the related coal market added to the downturn, which appears to continue during Tuesday's session.

Coal



The European coal market edged down in yesterday's session, as the important signals from the Asian markets remained bearish. Both in India and China, demand has decreased since the very bullish period during the summer. This also influences Europe, where the API 2 Cal-19 contract was down 2,23 USD/t, closing at 90,67 USD/t, the lowest price level for the contract since August.

Carbon



On the European carbon emission market, we saw rising prices for a second straight day yesterday, indicating that the recent massive losses might be coming to an end. The benchmark quota contract rose 0,15 EUR/t to 17,23 EUR/t. The movements were based on an increase in buying activity, but it is far from certain that this is more than just a short-lived interest.

Hydro



We continue to see very mild weather forecasts for the coming weeks in the Nordic area. Temperatures are expected more than four degrees above average during the next 10 days. Meanwhile, precipitation amounts are set to increase to above normal starting around the forthcoming weekend. These factors provide bearish support to the Nordic power market Tuesday morning.

Germany



Falling fuel prices led to a negative day on the German power market yesterday, and mild temperatures added to the bearish sentiment. The carbon emission market has managed to find some foothold, which limited the downturn a bit. Nonetheless, the German Cal-19 contract ended up falling 0,35 EUR/MWh, settling at 48,75 EUR/MWh. We expect the market to trade further down today.

Equities



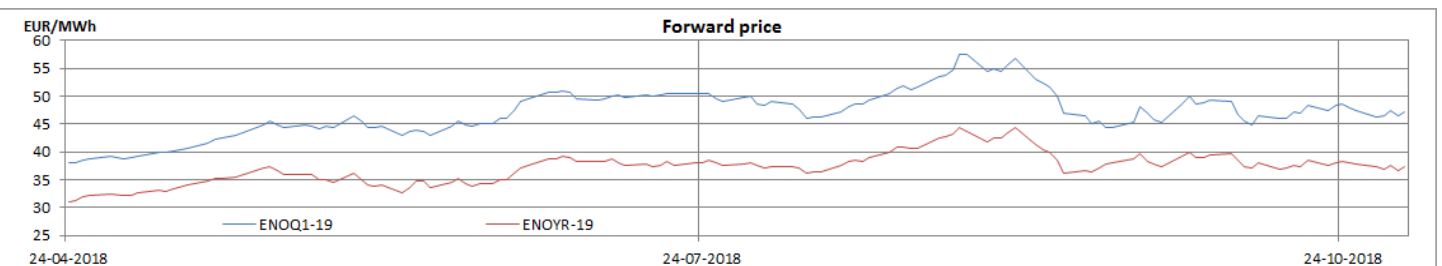
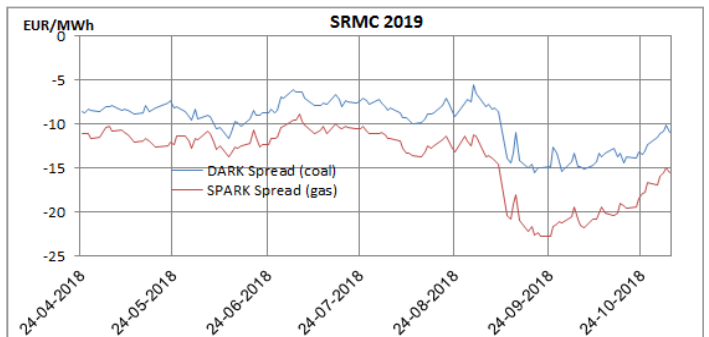
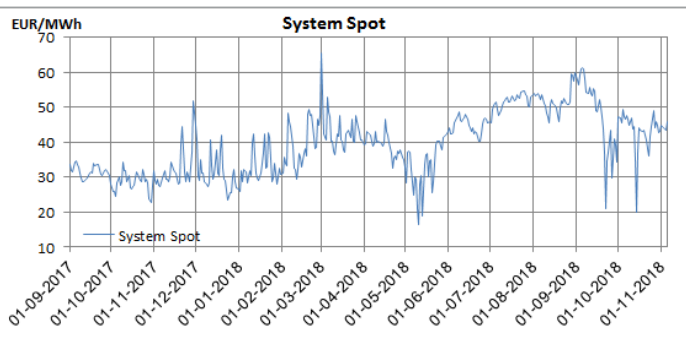
The week opened quietly on the international stock markets, with only limited movements in both Europe and the US. The markets are probably awaiting the outcome of Tuesday's midterm elections in the US, which will be decisive for President Donald Trump's possibilities to get his plans for the country through during the rest of his presidency.

Conclusion



Wetter weather forecasts, combined with losses on the fuel markets and on the German power market, led to falling Nordic power prices Monday. The O1-19 contract edged down 0,80 EUR/MWh, settling at 46,45 EUR/MWh, while the YR-19 contract fell 0,22 EUR/MWh to 37,05 EUR/MWh. We expect further losses Tuesday due to bearish signals from the weather forecasts and falling prices on the oil and gas markets.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
04-nov	46,65	46,65	43,55	44,70	43,55	43,55	43,60	November	42,17	47,75	48,26	50,10	50,33	46,40	46,35	Novem-	48,74	56,92	68,63
05-nov	56,62	56,62	47,52	55,11	47,52	45,11	45,83	O1-19	44,87	48,46	48,20	49,95	51,85	46,70	46,45	O1-19	48,15	56,98	96,80
06-nov	57,89	57,89	51,20	57,04	51,20	47,20	48,19	2019	41,35	43,73	39,30	40,40	44,00	37,18	37,05	2019	47,59	52,34	96,80



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