

## Expectation

Oil



Thursday, all focus on the crude oil market was on OPEC and Russia, who summited in Vienna to discuss a potential restart to their output cut deal. Late in the day, news from the summit came out, that the OPEC members had apparently agreed on cutting production, but that Russia has not yet committed to a deal, and that the specifics of the agreement has therefore yet to be determined. The Brent front month contract fell on the insecure signals and closed at 60,06 USD/bbl, down 1,50 USD/bbl for the day. The second day of the summit will be the decisive factor today.

Gas



For a third straight day, there were falling prices across the European gas markets yesterday. The oil market took a nosedive due to bearish signals from the OPEC-Russia summit, and this dragged the gas market down as well. High temperatures in large parts of Western Europe and a well-supplied market added to the downside. The NCG Cal-19 contract ended up falling 0,33 EUR/MWh, closing at 22,22 EUR/MWh, while the day-ahead market edged down as well.

Coal



In contrast to the oil and gas markets, the European coal market managed to climb a bit in Thursday' trading. The market remains focused on China, where the government has imposed restrictions on the coal import, and it is still uncertain exactly for how long the country's coal plants have to wait for green light to return to normal. We expect further gains today.

Carbon



Early yesterday, the European carbon emission market saw heavy losses due to news that Poland will auction as much as an extra 55 million additional quotas from a special reserve. Later in the day however, the market managed to calm down, and actually closed with gains, as the benchmark quota contract settled at 19,99 EUR/t, up 0,32 EUR/t for the day.

Hydro



This morning, the Nordic weather outlook is both wetter and milder than what was forecasted yesterday. Temperatures will remain above average until the middle of next week, and the cool period at the end of week 50 does not look as chilly as previously anticipated. In terms of precipitation, we will probably see a few dry days in the middle of next week, but the level will most likely increase again from then on.

Germany



The German power market opened bearishly yesterday, but as the quota market recovered later in the day, prices in Germany also started to rise again. The country's Cal-19 contract ended up settling at 51,40 EUR/MWh, up 0,20 EUR/MWh for the day. We expect another upwards adjustment today as the coal markets remain quite strong.

Equities



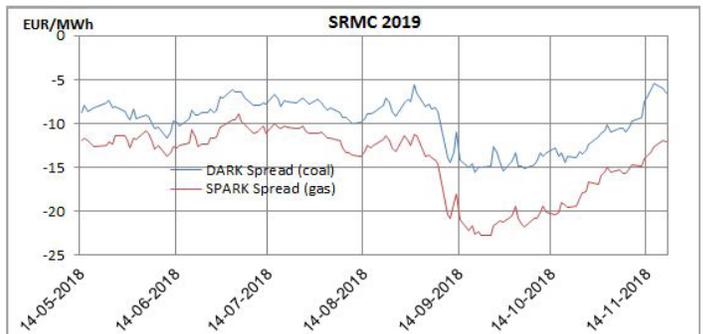
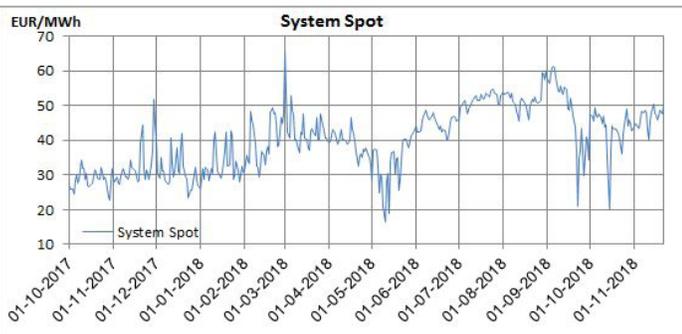
Thursday, the European stock markets continued downwards. There is a nervous sentiment on the market following the arrest in Canada of a high-ranking Chinese businesswoman, and this topic will largely continue to dominate the markets today. Furthermore, it is today time for the monthly US job report, which will be published this afternoon European time.

Conclusion



There were mixed signals on the Nordic power market yesterday, as the carbon market fluctuated heavily during the day, while the weather forecasts were slightly milder. At the end of the day, the Q1-19 contract had fallen 0,30 EUR/MWh to 49,95 EUR/MWh, while the YR-19 contract was down 0,30 EUR/MWh, settling at 42,90 EUR/MWh. We expect another bearish day at the short end of the curve today, as the outlook is once again quite mild and wet, but the long end could avoid further losses as the coal market is quite strong right now.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
05-dec	54,05	58,95	51,45	52,03	55,71	51,17	51,38	January	50,65	54,00	53,80	56,30	56,68	52,10	52,05	January	49,13	55,00	68,63
06-dec	51,73	55,45	52,32	52,32	54,23	52,15	52,56	Q1-19	48,90	51,55	51,53	53,48	53,78	50,20	49,95	Q1-19	48,89	54,91	97,28
07-dec	44,32	44,45	48,12	48,12	53,14	48,22	48,65	2019	47,45	49,13	44,80	46,45	48,48	43,03	42,90	2019	48,60	51,48	97,28



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