

## Expectation

- Oil** ➔

This week opened where last week ended, with modest fluctuations on the international oil markets. Yesterday, the Brent front month contract closed at 61,51 USD/bbl, down 0,59 USD/bbl for the day. The most recent data from the US shows an increased amount of operating oil rigs, but this was largely offset by the bullish effects of the Venezuelan crisis and by the Russia-OPEC production cuts. We expect another day with sideways trading Tuesday.
- Gas** ⬇

There were further losses on the European gas markets yesterday. The most recent forecasts indicate very high temperatures compared to seasonal normal during the next weeks on large parts of the continent, leading to diminished gas demand. A solid supply side and bearish support from the rest of the energy complex supported the downturn.
- Coal** ⬇

European coal prices continued to fall in Monday's trading. Buying interest on the market is very weak at the moment, due to the mild winter weather and bearish signals from an also subdued Asian-Pacific market. Furthermore, stock levels in Europe are high, as the level at the four large coal terminals are more than 4 million tons higher than last year. As a result of this, the API 2 Cal-20 contract fell another 0,40 USD/t, closing a 10-month low of 76,95 USD/t. The market could very well continue downwards today.
- Carbon** ➔

The European carbon emission market moved more or less sideways yesterday. Coal demand is decreasing due to the mild weather across Europe, and this also affects demand on the carbon emission market. There are however also some bullish technical signals on the market, and the benchmark quota contract ended up rising a marginal 0,07 EUR/t, closing at 22,40 EUR/t. Sideways trading seems likely today as well.
- Hydro** ⬇

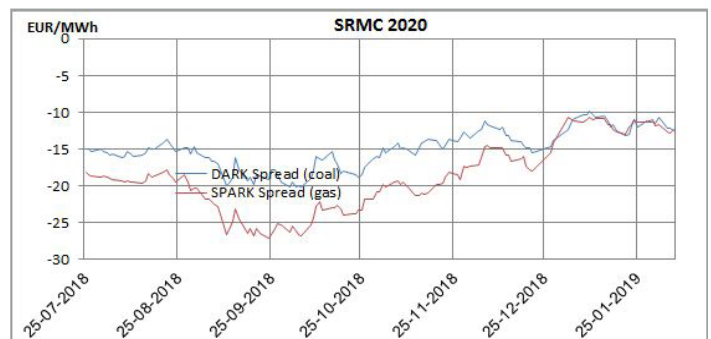
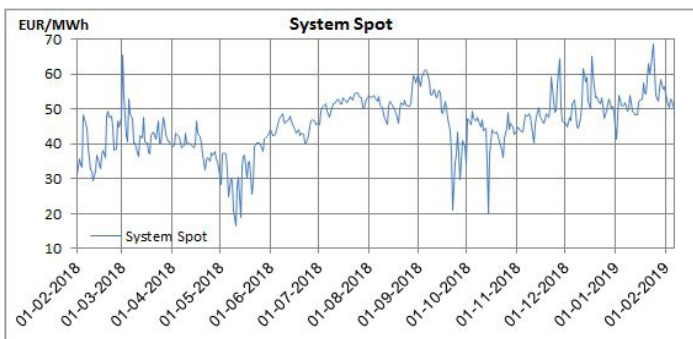
Expected precipitation in the Nordic area during the forthcoming ten days is well above seasonal average, and with power demand decreasing due to the mild temperatures, the hydro balance is improving. It is expected in a level of -14 in two weeks' time following an even bigger deficit last month. The outlook continues to support a bearish sentiment on the Nordic power market.
- Germany** ➔

On the German power market, prices continued to fall in Monday's session. Demand in the country is low right now due to high temperatures, and the bearish fuel markets added to the negative sentiment yesterday. The country's Cal-20 contract fell 0,82 EUR/MWh and closed at 46,66 EUR/MWh. We do not expect any noticeable recovery today, but a neutral session seems likely.
- Equities** ➔

Following a positive finish to last week on the US markets, the European stock markets opened the week bullishly yesterday. The Stoxx600 Index was up 0,85 %. Trading activity on the Asian markets is increasing following a quiet week due to Chinese New Year.
- Conclusion** ➔

Monday, the Nordic power market experienced a massive price drop. Over the weekend, the weather forecasts had turned even milder, and falling prices across the fuel markets and on the German power market added to the very bearish sentiment. The Q2-19 contract was down as much as 3,50 EUR/MWh, closing at 40,50 EUR/MWh, while the YR-20 contract fell 1,35 EUR/MWh and settled at 34,90 EUR/MWh. Tuesday, we should see the market stabilize following the big losses yesterday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
10-feb	32,99	34,34	45,51	45,51	45,51	47,32	46,57	March	40,97	43,27	44,17	45,45	45,95	44,45	44,20	March	46,21	45,31	80,73
11-feb	33,80	39,31	46,97	46,97	50,47	47,62	47,30	Q2-19	42,95	43,95	41,25	42,50	43,88	40,45	40,50	Q2-19	46,65	43,60	0,00
12-feb	46,33	48,81	48,03	48,73	48,85	48,81	48,07	2019	39,30	41,30	37,13	38,25	39,30	35,00	34,90	2020	47,39	48,26	0,00



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