

Expectation

Oil



After rising in Wednesday's session, the crude oil market edged back down yesterday. Range-bound trading continues as the signals on the market are mixed, with OPEC's supply cuts offset by high production in the US. The Brent front month contract closed the day at 67,13 USD/bbl, down 0,62 USD/bbl against the previous close. Early Friday, the market edges up a bit, but we do not expect any noticeable fluctuations during the day.

Gas



European spot gas prices are currently at their lowest level in more than a year, and curve contracts also continued to fall in Thursday's session. Storage levels across the continent are currently almost double the level from last year. LNG supply will likely remain high in Europe during the coming months, as prices in Asia have dropped sharply, making Europe a more attractive destination.

Coal



Buying interest remain weak on the European coal markets, but prices still managed to rise a bit yesterday, recovering from the almost one-year low level from earlier in the week. The API 2 Cal-20 contract was up 0,76 USD/t, closing at 75,11 USD/t. We could see another increase Friday, as the carbon market edges up as well, but overall, the sentiment on the market remains bullish.

Carbon



Thursday, the European market for carbon emissions reacted positively to the rejection of a no-deal Brexit by the British Parliament Wednesday evening. Even though a no-deal Brexit has still not completely been ruled out, the fears are now limited. As a result, the benchmark quota contract rose 0,46 EUR/t and closed at 22,74 EUR/t. The market will now have focus on Theresa May's negotiations with the EU about an extension of Brexit, and the bullish sentiment could continue Friday after the approval of the delay by the British Parliament.

Hydro



Friday morning, there are some disagreements as to the weather outlook for the Nordic area regarding week 13 and on. Some forecasts suggest drier conditions, whereas other expect the high precipitation amounts to continue. In total, the outlook could lead to rising prices on the Nordic power market during Friday's trading.

Germany



On the German power market, we saw a rebound yesterday following the losses earlier in the week. The gains were primarily attributed to the upturn on the carbon emission market and the recovery on the coal market, as the country's Cal-20 contract closed at 47,15 EUR/MWh, up 0,60 EUR/MWh from Wednesday. Temperatures in Germany are expected just around average during the next ten days, and we expect another increase in today's session.

Equities



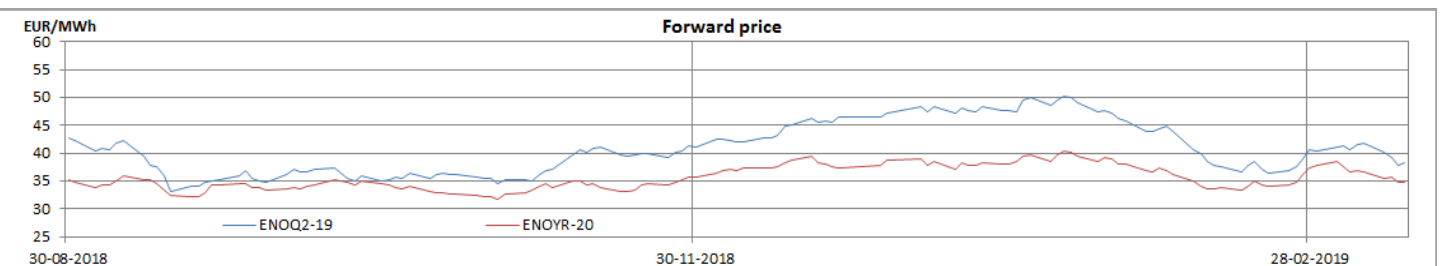
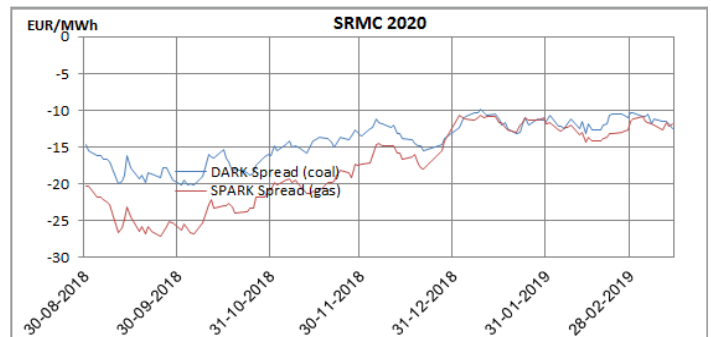
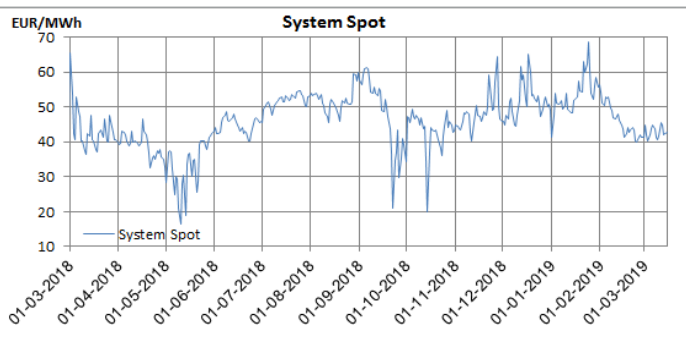
Yesterday, there was a positive sentiment on the stock markets in Europe, caused by the British rejection of a no-deal Brexit. The US markets edged down however, as the summit between Donald Trump and Xi Jinping to resolve the trade war has been postponed. Focus Friday will probably be on key figures on inflation from the Eurozone, but the first signals from Asia are bullish.

Conclusion



On a day with rising prices on the European coal and carbon markets, the Nordic power market managed to edge up as well. This despite the fact that the weather forecasts are still both milder and wetter than seasonal average. The Q2-19 contract rose 0,30 EUR/MWh to 38,15 EUR/MWh, while the YR-20 contract was up 0,03 EUR/MWh, settling at 34,68 EUR/MWh. Friday, we expect the market to rise further. Some weather forecasts now suggest a bit drier conditions, and the signals from Germany are bullish as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
13-mar	38,01	39,16	41,29	41,29	43,15	42,55	42,18	April	38,10	39,77	40,13	40,80	41,55	39,75	39,80	April	46,22	39,57	89,09
14-mar	40,09	40,09	41,43	41,43	41,43	42,62	42,31	Q2-19	41,05	42,73	38,90	39,90	41,82	38,10	38,15	Q2-19	46,47	39,26	0,00
15-mar	38,26	38,33	42,74	42,74	43,08	42,82	42,74	2019	40,06	41,61	36,53	37,93	39,18	34,78	34,68	2020	47,11	46,52	0,00



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.