

Expectation

- Oil** ➔

Wednesday, the international crude oil market saw a quite significant downturn, caused by another rise in US inventories, further concerns about a slowdown in global demand and insecurity as to whether OPEC and Russia will be able to agree on an extension to the countries' current production cut deal. The Brent front month contract dropped below 60 USD/bbl for the first time since January, settling the day at 59,97 USD/bbl. We expect a minor rebound today.
- Gas** ➔

A very strong supply side continues to offer bearish support to the European gas markets. The gas flows from Norway to the rest of the continent is continuously high, and expectations of increasing LNG supply, there is still some downside on the market despite the recent losses. Storage levels across the continent continue to rise.
- Coal** ➔

Prices continued to fall on the European coal markets yesterday, and the gains from last week have now been completely erased. The API 2 Cal-20 contract fell 1,20 USD/t during the day, settling at 63,60 USD/t. The market remains overall quiet, with low demand and high stock levels and yesterday, the big downturn on the oil market added to the downside. The market should manage to stabilize today and we expect an either neutral or slightly bullish session.
- Carbon** ➔

The European carbon emission market was also affected by the negative sentiment across the fuel markets yesterday. The benchmark quota contract fell 0,16 EUR/t to close at 24,82 EUR/t, as the market continues the range-bound trading around 25 EUR/t. Fluctuations on the related markets are currently causing the movements for carbon. Another day with limited fluctuations seems likely today.
- Hydro** ➔

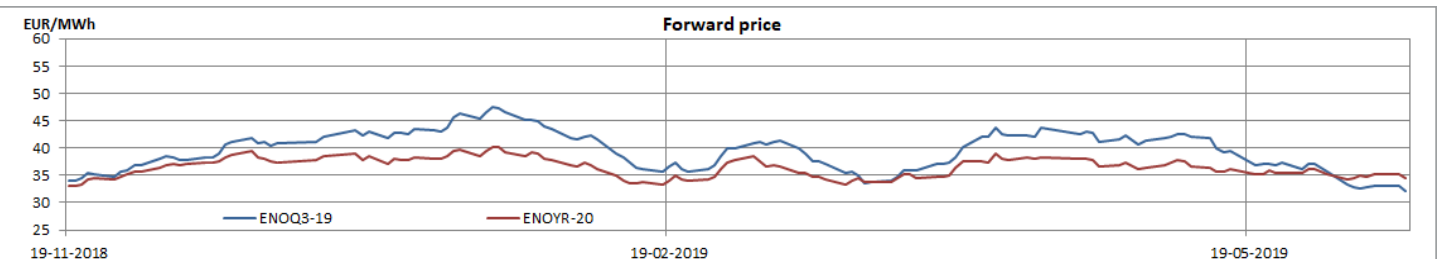
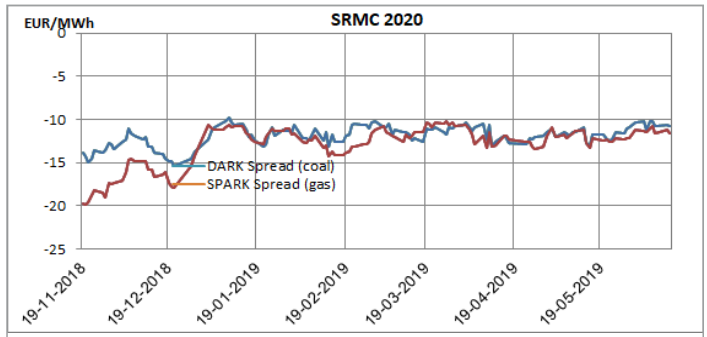
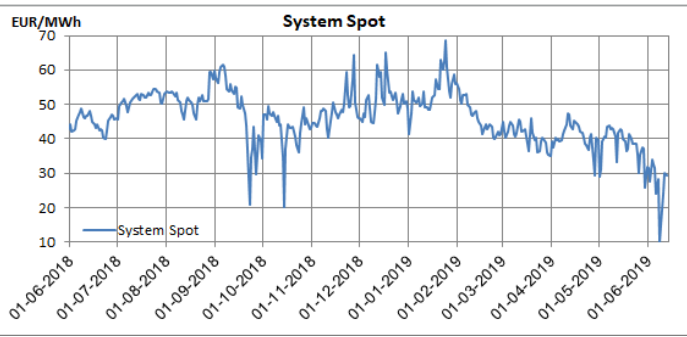
We see wetter weather forecasts for the Nordic area at the moment. The previous expectations of below-average precipitation throughout the second half of June have been reversed, and a level slightly above normal now looks likely. The hydro balance continues to improve, and this offers further bearish support to the Nordic power market.
- Germany** ➔

On a day with quite big losses across the fuel markets, and a downturn on the carbon emission market as well, the German power market saw falling prices yesterday. The country's Cal-20 contract fell 0,60 EUR/MWh and closed at 46,80 EUR/MWh. It adds to the downside on the market, that the weather forecasts suggest quite average weather with no extreme temperatures during the coming weeks in Germany. A minor upwards adjustment seems likely Thursday.
- Equities** ➔

Following a couple of positive sessions, the European stock markets traded down yesterday. A very bearish oil market offered negative support to a market, and the Stoxx600 Index closed the day down 0,30 %. Thursday, focus will be on key figures on industrial production within the Eurozone, and the first signals from Asia are rather negative.
- Conclusion** ➔

Yesterday, we saw some quite significant losses on the Nordic power market, caused by wetter weather forecasts compared to the previous session and big losses on the related markets, such as the German power market and the gas market. The Q3-19 contract fell 1,05 EUR/MWh and closed at 32,05 EUR/MWh, while the YR-20 contract was down 0,55 EUR/MWh, settling at 34,60 EUR/MWh. We expect much smaller fluctuations today, but the wet forecasts could cause further losses on the short end of the curve.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
11-jun	36,69	41,72	23,98	32,50	35,86	31,97	30,14	July	37,43	37,81	27,88	29,38	33,73	29,41	29,13	July	41,88	31,22	82,86
12-jun	43,01	43,01	24,56	28,86	24,56	32,92	29,84	Q3-19	40,35	40,95	32,93	34,05	38,30	32,28	32,05	Q3-19	42,43	32,94	0,00
13-jun	35,44	35,58	27,26	33,87	28,77	30,56	29,18	2020	39,55	41,60	35,83	37,53	38,73	34,63	34,60	2020	45,36	46,25	0,00



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