

Expectation

Oil



After initially opening with gains Friday, the international crude oil market turned bearish again during the day. The sudden collapse of the alliance between Saudi Arabia and Russia and the ensuing price war, combined with expectations of rapidly decreasing demand due to the corona virus caused the market to edge down once again. The Brent front month contract closed at 26,98 USD/bbl, down 1,48 USD/bbl for the day. Monday, we could see the downtrend continue.

Gas



The European gas markets edged further down in Friday's trading amid expectations of a significantly weaker demand during the rest of the year due to the corona virus. The European gas storages are already well supplied and the day-ahead market remains very cheap as well across most of the continent.

Coal



Despite losses on both the oil and gas markets, the European coal market managed to break the trend and rise in Friday's trading. The API 2 Cal-21 contract climbed 0,72 USD/t, settling at 55,45 USD/t, perhaps because of cooler weather and gains on the otherwise likewise subdued Asian markets. This week, the corona virus will continue to dominate the markets and if demand expectations continue to fall, the market could very well turn bearish again.

Carbon



On the European carbon market, the bearish sentiment returned again Friday following a single day of gains Thursday. The benchmark contract, the EUA Dec-20, closed at 16,11 EUR/t, around 35 % lower than the level from two weeks ago. If the corona virus crisis continues to intensify, the market could be up for further losses this week.

Hydro



Over the weekend, we have received some slightly wetter weather forecasts for the Nordic area. The next few days look very wet, but from mid-week and on, a high pressure will cause limited precipitation as expected last week. In total, the 10-day forecast is above average in terms of precipitation and the outlook is bearish for the Nordic power market Monday.

Germany



There were mixed signals for the German power market Friday. Cooler weather conditions and a rising coal market offered some bullish support, which was however offset by corona virus concerns and losses on the gas and carbon markets. At the end of the day, the country's Cal-21 contract closed at 35,65 EUR/MWh, and we could see it continue down along with fuels and carbon today.

Equities



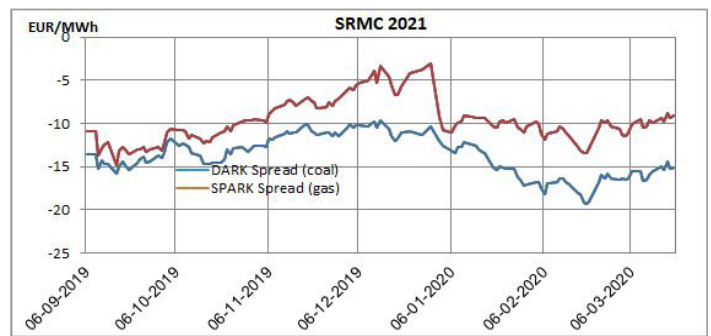
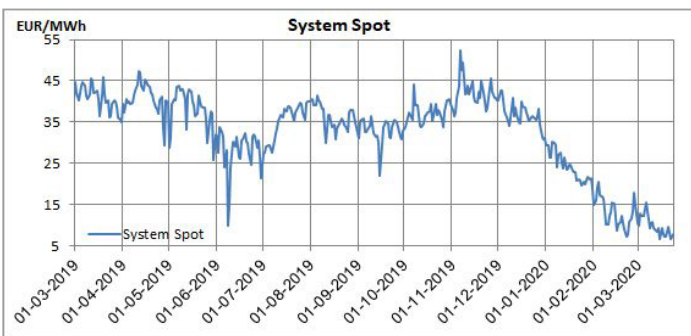
Friday, we saw a moderate upwards adjustment on the European stock markets to end another week with heavy losses. The Stoxx600 Index climbed 1,82 % as the market saw some optimism in the help action taken by several countries to support the economy during the corona virus crisis. Monday, the first signs from Asia point towards a negative session.

Conclusion



There were rising prices across the Nordic power market early Friday, but in the afternoon, the short end of the curve turned negative and ended the day with losses. The Q2-20 contract closed at 9,10 EUR/MWh, down 0,40 EUR/MWh. The YR-21 contract ended up climbing a marginal 0,17 EUR/MWh to settle at 21,75 EUR/MWh. Monday, we enter another week of corona virus concerns, and we expect falling prices across the markets and on the Nordic power market as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
21-mar	10,90	11,03	9,32	10,65	19,42	7,56	8,07	April	17,83	19,85	12,45	14,70	18,95	8,95	9,20	April	34,98	23,33	54,13
22-mar	8,25	8,87	7,62	8,87	9,67	6,63	6,73	Q2-20	19,90	21,85	11,10	14,85	20,98	7,97	9,10	Q2-20	35,08	23,08	0,00
23-mar	13,92	16,27	11,87	12,78	17,03	7,61	7,82	2020	29,25	30,60	23,25	25,10	29,90	21,75	21,75	2021	36,85	30,88	0,00



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