

Expectation

Oil



Following the bullish run earlier in the week, that saw prices rise to a three-month high, the international oil market made a minor downwards adjustment yesterday. The market still hopes that OPEC and their allies will agree on a new production deal, but the ongoing lockdowns in large parts of the world curb demand and limit any upside. The Brent front month contract closed the day at 44,20 USD/bbl, and moves more or less sideways early Friday.

Gas



On the European gas markets, we saw another bearish session Thursday. Supply has ramped up following some time with disruptions to flow from Norway, and demand expectations remain low. Apart from these factors, the market remains influenced by the overall uncertain situation regarding the corona virus pandemic, where vaccine hopes and lockdowns are offsetting each other to some extent.

Coal



Thursday was also a bearish day on the international coal markets, where the API 2 Cal-21 contract falling another 0,69 USD/t, closing at 55,03 USD/t. The market responded largely to the overall negative sentiment across the markets, as supply tightness in other parts of the world were not enough to keep a hand under European prices. A neutral sentiment seems likely today.

Carbon



After rising the previous day on the news about the postponed 2021 auctions, the European carbon market adjusted down yesterday. The losses were attributed to technical signals following the recent gains, with the benchmark contract closing at 26,35 EUR/t, 0,84 EUR/t below the previous close. We expect the market to continue around the 25-27 EUR/t range for the coming time.

Hydro



Friday morning, the weather forecasts seem to agree, that we will get cooler and drier conditions during next week as a result of high pressure weather. However, the level will likely still be wetter and milder than average. In total, the 10-day outlook is around 50 % wetter than average, and despite the fact that it gets a little drier next week, the outlook is still overall bearish for the Nordic power market.

Germany



German power prices followed the bearish movements on especially the carbon emission market yesterday, with the market potentially feeling that the gains across the markets during the previous session had been overdone. The country's Cal-21 contract fell sharply as a result, closing at 38,84 EUR/MWh, and continues down early Friday.

Equities



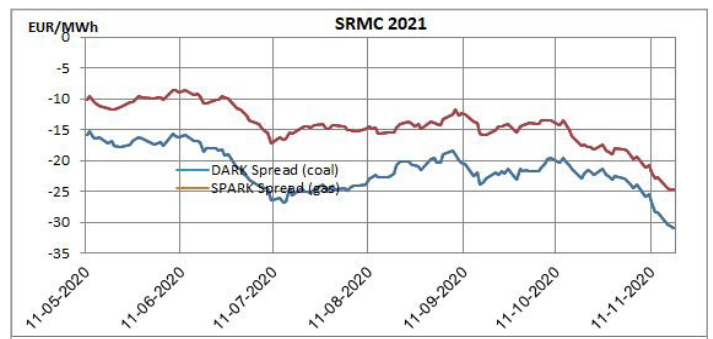
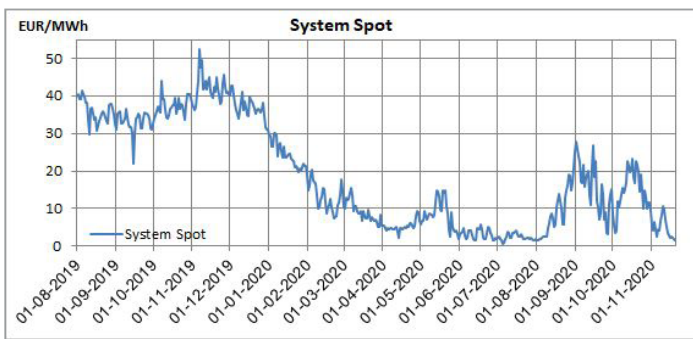
Corona virus concerns were once again the dominating topic on the financial markets yesterday, where we saw losses on the European markets. Positive signals from the technology sector helped the US markets climb later in the day, and the first signals Friday from the futures are more or less neutral. The Brexit negotiations are entering an important phase and will continue to receive focus in the coming time.

Conclusion



Prices continue falling on the Nordic power futures, although the losses have not been quite as remarkable over the last couple of days compared to the general development during November. The Q1-21 and YR-21 contracts closed at 13,20 EUR/MWh and 12,95 EUR/MWh respectively, both marginally down for the day. Friday, we expect the market to continue modestly down, both because of the continuously wet, mild forecasts, and because the market has to make up for some sharp losses in Germany late yesterday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
18-nov	0,99	30,83	6,90	30,83	30,30	0,99	2,01	December	23,00	26,93	21,75	30,25	32,75	8,15	8,25	December	42,77	38,11	62,30
19-nov	1,05	17,12	14,99	17,12	23,56	1,05	1,44	Q1-21	16,58	17,33	27,20	31,20	37,70	13,10	13,20	Q1-21	42,90	38,50	0,00
20-nov	33,00	56,20	50,80	56,20	53,76	1,55	3,80	2021	32,83	36,33	26,65	30,70	37,80	12,95	12,95	2021	43,28	36,49	0,00



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