

## Expectation

Oil



Once again, we saw rising prices on the crude oil market yesterday. An improving global economic outlook and a weaker US dollar compared to other leading currencies lifted the market further, and the Brent front month contract once again reached the highest level in more than a year, closing at 65,37 USD/bbl. Today, the market opens with a downwards correction as the most recent data shows rising US inventory numbers.

Gas



Following some recent sharp losses, the European gas markets managed to rebound in Tuesday's trading. The upturn was attributed to lower gas supply from both Russia and Norway due to outages. The improving LNG outlook and the reduced storage withdrawal in the mild weather does however limit any upside significantly and we do not expect further gains today.

Coal



We currently see some supply issues offer bullish support to the European coal market. Both in Russia and South Africa, two of the world's biggest producers, export is limited due to transportation issues, and meanwhile, global demand is rising as the Chinese New Year's holiday is over. The API 2 Cal-22 contract closed at 67,45 USD/t.

Carbon



On the European carbon market, we saw rising prices for a second straight day Tuesday. After reaching an all-time high 40 EUR/t earlier in the month, the market appears to gather strength to challenge these levels again. The benchmark contract closed at 38,67 EUR/t yesterday and fluctuations should remain high today as well.

Hydro



Wednesday morning, the Nordic weather forecasts continue to suggest low-pressure weather for the forthcoming week. Precipitation will remain above average throughout the period, and the hydro balance is expected to reach a surplus once again by early March. Looking further ahead however, cooler and drier conditions are on the way in early March, and this could offer bullish support to the Nordic power market today.

Germany



Yesterday, the German power market had to adjust for a late rally on the carbon market the previous day, and as carbon continued climbing during the day as well, German power followed suit. The country's Cal-22 contract climbed to 51,70 EUR/MWh, and we expect another bullish session Wednesday, where carbon appears to climb further while the weather forecasts turn colder.

Equities



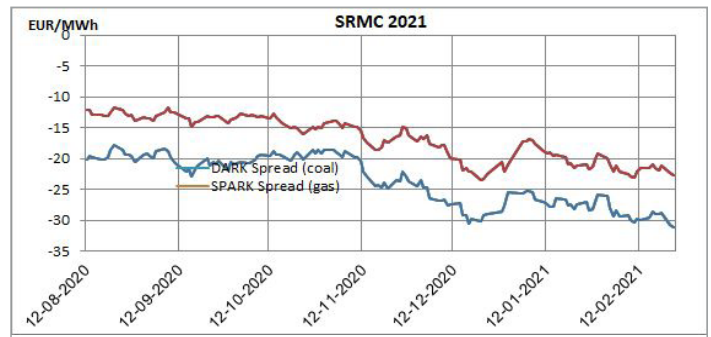
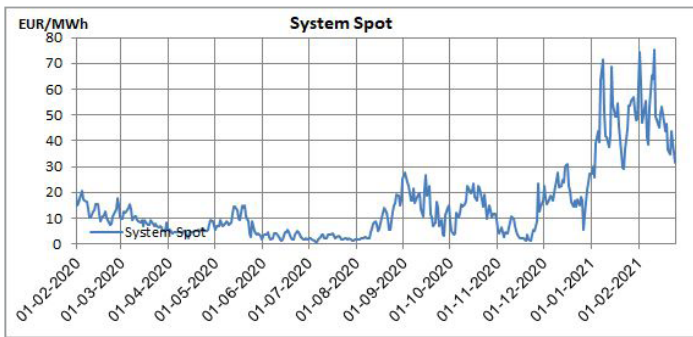
We are in the middle of a rather bearish period on the stock markets, where the European Stoxx 600 Index fell another 1,74 % on ongoing inflation and interest concerns. The Asian markets have been negative early Wednesday as well, and the European and US markets could be up for another day of losses.

Conclusion



After dropping significantly over the previous sessions, the Nordic power market managed to break the losing streak Tuesday. Slightly cooler weather forecasts as well as gains on the German power market led to the recovery, where the Q2-21 and YR-22 contracts climbed to 23,65 EUR/MWh and 25,60 EUR/MWh respectively. Today, the forecasts agree that temperatures and precipitation amounts will fall from next week, and the Nordic power market should rise as a result.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
22-feb	49,48	49,53	45,64	49,35	46,17	42,29	43,51	March	41,35	43,03	35,85	39,10	42,35	33,85	30,85	March	55,67	46,49	62,30
23-feb	44,46	44,91	41,34	44,62	41,47	38,78	39,21	Q2-21	42,00	43,53	31,55	32,40	41,18	25,40	23,65	Q2-21	55,66	45,40	0,00
24-feb	31,35	34,20	32,08	34,16	37,44	32,12	31,35	2022	38,28	40,63	29,25	33,80	36,40	27,95	25,60	2022	56,83	48,30	0,00



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