

## Expectation

- Oil**

Currently, oil prices are sitting at their highest level in around 6 weeks. Yesterday, the Brent front month ended the session at 73,51 USD/bbl, up 0,59 USD/bbl from Friday's close. It appears that a slow return of production in the U.S. Gulf outweighs some bearish notes set by the OPEC. The producer's group recently cut their demand growth outlook for the fourth quarter due to the impact of the Delta variant. Oil demand recovery is seen to be delayed to the first half of next year. We could see some further upside today.
- Gas**

European gas markets faced another day of significant gains yesterday, with prices for nearby contracts rising the most. The TTF front month contract closed last Friday at 57,916 EUR/MWh, started yesterday above 58 EUR/MWh immediately and settled at 61,279 EUR/MWh, after hitting a session high of 62,35 EUR/MWh. Concerns about supply shortages during the upcoming winter continue to be the strongest driver here, while the competition with Asia due to high demand there continues. We expect another volatile session with a possible move towards yesterday's high, but there's plenty of downside for a corrective move as well.
- Coal**

Once more, also European coal prices were seen shifting higher. The API Cal-22 contract added another 2,53 USD/t to settle at 129,43 EUR/MWh. Prices are advancing in lockstep with gas on the one hand, but tight supply in the coal sector itself is adding to the sentiment. While coal demand in Europe is high on the back of improved clean dark spreads, Russian exports slipping to a 5-month low last month point to limited availability. As it is for gas, there seems to be room today for moves either way.
- Carbon**

What was suspected recently seems to have been somehow confirmed yesterday for the emissions market. The Dec '21 contract hit a session high at 62,69 EUR/t, but following selling pressure set the settlement at 61,07 EUR/t for yesterday (+0,15 EUR/t day-on-day). Given the marked upside for gas, it appears the emissions market is decoupling a bit further from the remaining energy complex. Exact reasons remain rather unclear, but there seems to be selling interest for some reason, which in turn caps to the upside. Today's direction is rather uncertain.
- Hydro**

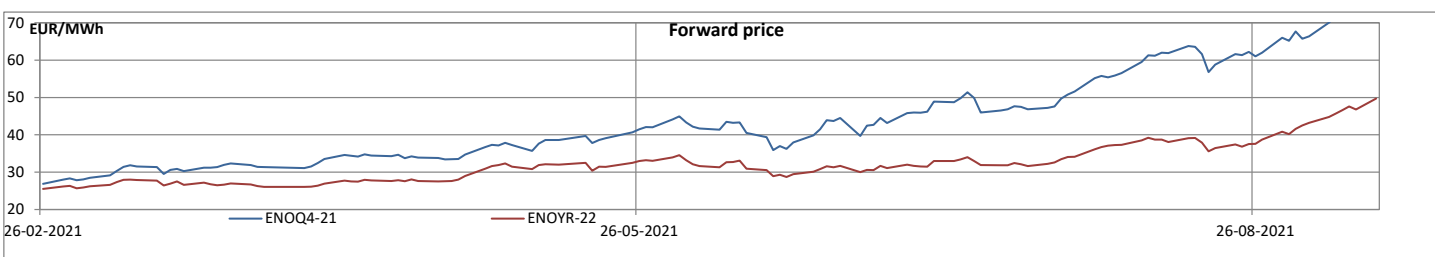
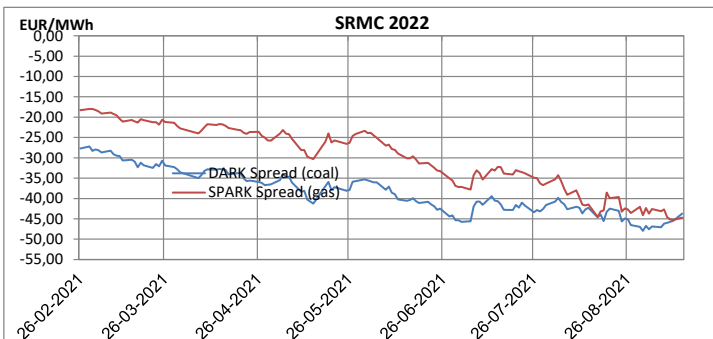
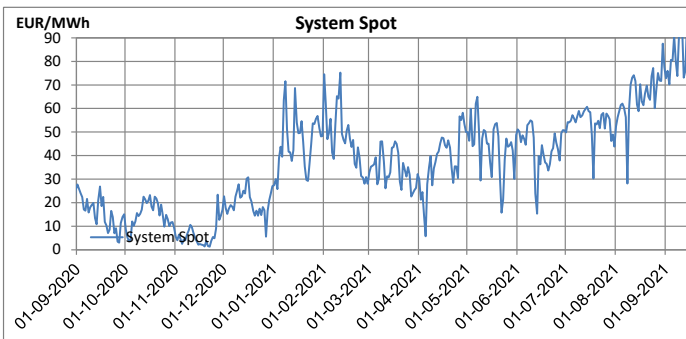
EC12 today is presenting an even drier solution than yesterday, where we end up at 4 TWh, which is 3 TWh less than normal. Temperatures are still below normal with 1,5 degrees. The high pressure is keeping the low pressure activity further to the north and not letting it in. If the high pressure should move more to the east, a different pattern could occur. GF500 is dry up to 24 September where we can see more precipitation coming in which is probably due to the high pressure moving a bit, letting in showers in the north. EC00 is of great interest to see which way it will go. The hydrological deficit still stands at 19 TWh.
- Germany**

In the German power market, the front month ended the trading day at 128,75 EUR/MWh (+9,75 EUR/MWh), the front quarter at 131,75 EUR/MWh (+9,50 EUR/MWh), and the front year at 99,11 EUR/MWh (+2,68 EUR/MWh). Low wind levels continue to lift spot prices even higher. Spot prices in combination with rallying gas markets in turn lend massive support to forward contracts with nearby delivery periods, but do not fail to lift the long end of the forward price curve as well. We see nearby prices being lifted again upon today's opening, while longer dated contracts slip a bit lower.
- Equities**

Yesterday, the global equities ended on green territory, which was somehow unexpected. This morning, Asian indices are up and futures indices show green results. We expect markets to continue to increase, but movements should be limited. In Europe, oil, banks and utilities showed the way yesterday, and it appears that recovery hopes are higher than fears of a global slowdown. The inflation talks might change the direction, but as said, we expect small increases in indices today.
- Conclusion**

Following Friday's session with losses, the Nordic power market pushed prices at the beginning of the new week considerably higher once more. Oct-21 ended the day at 79,43 EUR/MWh (+4,53 EUR/MWh, Q4-21 at 78,50 EUR/MWh (+6,05 EUR/MWh), YR-22 at 49,70 EUR/MWh (+2,90 EUR/MWh). Rallying prices for gas and continental power as well as drier weather forecasts instead of a confirmation of increased probability for more precipitation made a very potent mix of price drivers. This morning the market pushes high again.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
12-sep	104,99	104,99	94,56	104,06	94,90	97,12	73,06	October	117,37	119,43	83,93	112,43	86,43	90,93	79,43
13-sep	140,84	139,20	84,94	138,27	70,44	103,71	76,03	Q4-21	115,38	117,50	81,25	111,50	87,50	95,00	78,50
14-sep	143,24	143,24	120,16	142,55	90,02	115,38	95,60	2022	83,33	86,50	52,13	82,70	63,90	60,70	49,70



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