

Expectation

- Oil** ↗

The bullish trend on the international oil market continued Monday, where prices climbed to the highest level in three years. The fears on the market surrounding the effects of the omicron corona virus mutation are easing, and not even weak key figures from China have been able to stop the market from rising steadily over the last weeks. The Brent front month contract closed the day at 86,48 USD/bbl and climbs further early Tuesday due to a drone attack on an oil facility in the UAE.
- Gas** ↗

European gas prices rose early in Monday's trading, but the market changed direction during the day and closed lower than it started. Rising LNG imports are helping the continent's supply picture despite ongoing low flows from both Norway, and from Russia, who have also booked very little transit capacity to Europe in February. The nervous sentiment regarding Ukraine continues as well, and the market could very well return to the bullish sentiment today.
- Coal** ↗

On the coal market, the week opened bullishly despite the losses on the related markets. The market faces both high demand and supply issues, and the API 2 Cal-23 contract climbed by another 4,01 USD/t, settling at a two-month high of 108,01 USD/t. Several countries are low on export to Europe, as both Russia, South Africa and Indonesia are facing export limitations.
- Carbon** →

Yesterday, the carbon market opened the week with bearishly, as the EUA Dec-22 contract fell to 80,58 EUR/t, still within the 80-85 EUR/t range. Bearish technical signals and falling prices on the gas market were instrumental for the loss of almost 2 EUR/t for the day. We expect technical signals to continue to drive the market today, where we see further losses early in the session.
- Hydro** ↘

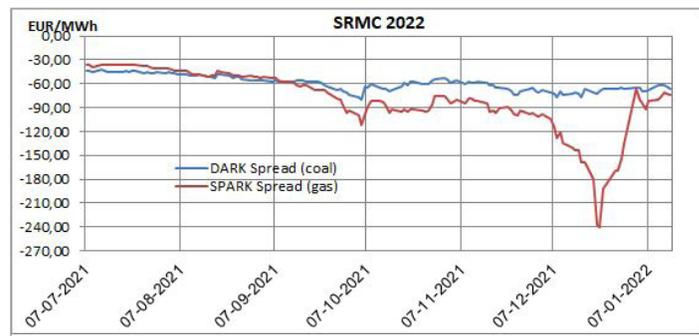
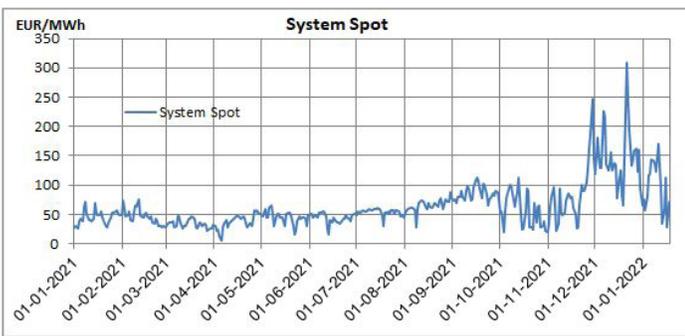
Apart from a short period during the next few days, where the level is expected around average, Nordic temperatures are set to remain 2-3 degrees above normal for the next ten days. Precipitation amounts and wind generation will also remain well above average. The outlook remains bearish for the Nordic power market.
- Germany** →

German power prices fell along with the bearish gas and carbon markets yesterday, although the rising coal market limited the downside. The country's 2023 contract ended up falling 2,48 EUR/MWh, closing at 115,00 EUR/MWh. The weather forecasts for Germany look very mild for the coming weeks, which causes a bearish sentiment today, although rising gas and coal could offset this.
- Equities** ↘

A quiet day opened the week on the financial markets, due to public holiday in the US and no major events or key figures to cause any disturbances in Europe. Despite rising interest rates, the European markets climbed modestly, and the Stoxx600 Index closed up 0,70 %. Tuesday opens bearishly however, both on the Asian and European markets.
- Conclusion** ↘

Monday, the Nordic power market opened bearishly due to wetter and milder weather forecasts during the weekend. Both temperatures, precipitation and wind power is expected well above average during the remainder of the month, and this pushed the market downwards yesterday. The Q2-22 and 2023 contracts closed at 46,73 EUR/MWh and 36,78 EUR/MWh, and we expect another bearish day on the short end of the curve at least, as the forecasts remain very wet, mild and windy.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
16-jan	95,26	40,93	18,36	18,36	18,36	127,73	28,75	February	151,75	153,75	134,75	157,75	133,75	143,00	97,75
17-jan	83,26	80,97	80,97	80,97	80,13	132,33	71,55	Q2-22	155,23	155,73	57,23	141,73	59,33	71,98	46,73
18-jan	162,50	152,40	145,16	148,67	145,15	161,58	117,48	2023	78,78	81,03	40,63	78,78	43,23	54,98	36,78



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