

Expectation

- Oil** ➔

The sharp increase on the international oil market continued Tuesday. The Brent front month contract rose to 87,51 USD/bbl, the highest price level since the autumn of 2014, and the market continues steadily upwards early Wednesday. The market reacts to expectations of improving global demand and to the increasing tensions concerning Russia and Ukraine, as the contract has now climbed by around 20 % since New Year.
- Gas** ➔

In contrast to the oil market, European gas prices have been falling for most of January due to an improve in supply and milder weather across the continent. Yesterday however, outages in the Norwegian production offset the bearish sentiment, and both near- and long-term contracts moved more or less sideways. We expect falling prices today, as the weather forecasts for Northern and Central Europe are mild, while the supply picture is improving amid high LNG import.
- Coal** ➔

European coal prices rose for a fifth straight day in Tuesday's trading, where the API 2 Cal-22 contract was up another 1,02 USD/t, settling at a three-month high of 134,03 USD/t. The market faces supply issues from several countries, and the prospects of reduced French nuclear availability in the coming years have added to the upside.
- Carbon** ➔

On the European carbon market, the range-bound trading continued yesterday, with the benchmark contract rebounding after falling to around 80 EUR/t during the previous sessions. The market has somewhat stabilized recently, but is ready to make another jump if the gas market starts rising rapidly again or if we see any new political signals concerning climate initiatives.
- Hydro** ➔

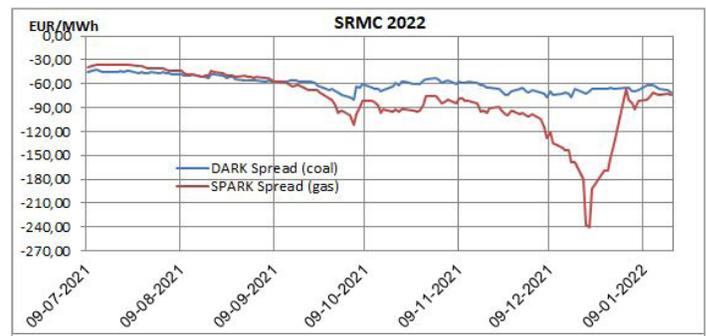
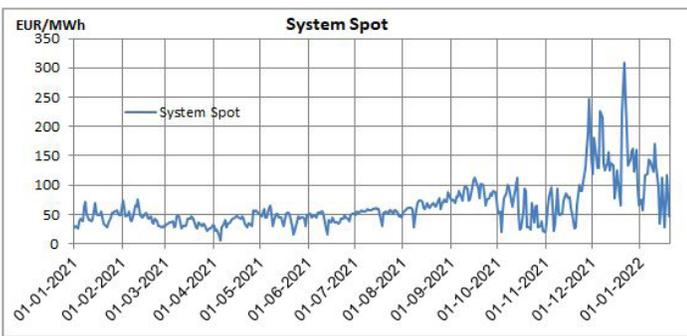
Midweek, the Nordic weather forecasts are extremely mild, as temperatures are set to rise to around 4 degrees above average during next week, while precipitation and wind will remain well above normal as well. The deficit on the hydro balance is decreasing further, now expected at -6 TWh in two weeks' time. The outlook remains bearish for the Nordic power market.
- Germany** ➔

German power prices rose in Tuesday's trading amid a price jump on the carbon market and another bullish session on the European coal market. The German 2023 contract was up 1,38 EUR/MWh, settling at 116,38 EUR/MWh, with mild weather forecasts limiting the upside. Wednesday, we could see a turnaround as very mild weather forecasts and falling gas should cause a bearish sentiment, especially on the short end of the curve.
- Equities** ➔

Higher interest rates and fears of a tightened monetary policy in both Europe and the US continues to cause an overall negative sentiment on the stock markets. The European Stoxx 600 Index fell 1,0 % and the losses continued later in the day in the US. The downtrend is set to continue today as all focus will remain on the expectations of a tighter US monetary policy.
- Conclusion** ➔

Yesterday, the Nordic power market once again saw a session with rather small fluctuations. The weather forecasts remained mild, wet and windy, but rising German power prices and climb coal, carbon offered some bullish support. The Q2-22 contract ended up climbing modestly to 47,50 EUR/MWh, while the 2023 contract closed flat for the day at 36,80 EUR/MWh. As the weather forecasts remain mild and wet and German power could fall as well, we expect a bearish session today, but fluctuations should still be rather small.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
17-jan	83,26	80,97	80,97	80,97	80,13	132,33	71,55	February	154,25	155,25	132,75	156,25	134,50	141,00	96,25
18-jan	162,50	152,40	145,16	148,67	145,15	161,58	117,48	Q2-22	151,00	154,50	56,00	142,50	60,10	73,63	47,50
19-jan	52,47	33,89	33,89	33,89	62,61	135,65	45,90	2023	78,30	80,30	40,60	81,80	43,35	55,15	36,80



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