

Expectation

- Oil** ➔

There were further gains on the international oil markets yesterday, where the seven-year highs on the Brent front month contract were extended further. It closed the day at 88,44 USD/bbl, 0,93 USD/bbl above the previous close. Supply concerns following a new attack on a UAE oil facility and geopolitical tensions continue to offer bullish support to the market, and we could very well see the contract break above 90 USD/bbl within a short time.
- Gas** ⬇️

Wednesday, the European gas market continued to fall amid an improving supply situation. Over the last couple of weeks, LNG supply to Europe has ramped up significantly with several big tankers now heading to Europe as it has turned more profitable for producers to sell their gas here. Meanwhile, mild weather forecasts add to the downside, and prices appear to continue down Thursday.
- Coal** ⬇️

Following five straight bullish session, the uptrend on the European coal market came to an end yesterday, as mild weather and bearish signals from the related markets were the main topics. The API 2 Cal-23 contract ended up closing at 109,45 USD/t, marginally down from Tuesday. Supply issues and high demand did however limit the downside.
- Carbon** ⬇️

On the European carbon market, the range-bound trading just above 80 EUR/t continued yesterday, where prices fell modestly following the gains the previous day. The benchmark contract, EUA Dec-22, closed at 82,09 EUR/t, 0,58 USD/t below Tuesday's close, with the bearish sentiment attributed to the losses on the coal and gas markets.
- Hydro** ⬇️

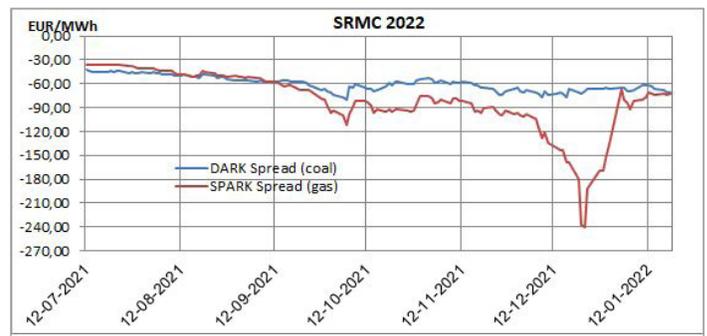
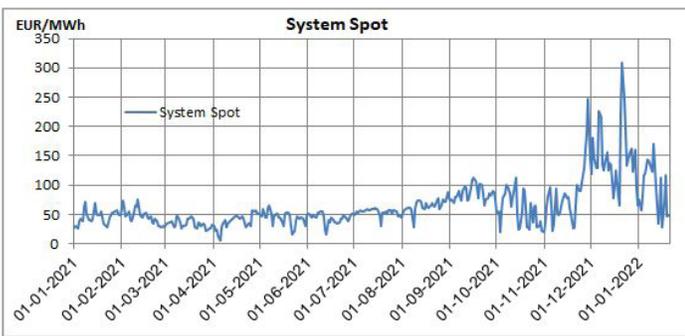
Thursday morning, there are no big changes to the weather forecasts, which remain very wet and mild for the remainder of January. The outlook suggests temperatures 3-4 degrees above average next week, and the hydro balance deficit continues to shrink. Even though the outlook is largely unchanged, it could very well continue to offer bearish support to the Nordic power market today.
- Germany** ⬇️

With falling prices on both the gas, coal and carbon markets yesterday, the German power market was up for a downwards adjustment as well. Temperatures in Germany are set to lie a couple of degrees above normal for most of next week, and this of course is bearish for the market as it limits demand. Today, we expect the downtrend to continue amid mild weather and bearish fuels, carbon.
- Equities** ➔

Following another bearish start to the day, the European stock markets changed direction yesterday and closed with gains as risk appetite appeared to rise a bit following a slow period. The Stoxx600 Index closed up 0,2 % and the first signals Thursday are also bullish, on a day where focus will remain on monetary policies and fears of higher interest rates.
- Conclusion** ⬇️

Nordic power prices fell along with the German power market and the fuel, carbon markets in Wednesday's trading, although it is noteworthy how small fluctuations are right now compared to what we had gotten used to last year. The Q2-22 contract fell 0,50 EUR/MWh to 47,00 EUR/MWh, while the 2023 contract was down 0,75 EUR/MWh, closing at 36,05 EUR/MWh. Very mild weather forecasts for the coming weeks could very well lead to another bearish session Thursday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
18-jan	162,50	152,40	145,16	148,67	145,15	161,58	117,48	February	147,00	149,00	129,00	150,00	131,00	136,75	92,00
19-jan	52,47	33,89	33,89	33,89	62,61	135,65	45,90	Q2-22	145,50	148,00	57,75	138,00	59,85	74,75	47,00
20-jan	69,85	66,19	66,19	66,19	80,30	130,24	49,13	2023	78,05	78,05	39,80	79,05	42,65	54,83	36,05



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