

Expectation

- Oil

Last week ended with another price jump on the international crude oil market. The Brent front month contract rose by around 4 USD/bbl and closed at 111,55 USD/bbl. The market responded bullishly to expectations that the strict corona virus lockdowns in China will be loosened in the near future, while concerns about the global supply picture are still high as the EU still works on imposing a ban on Russian oil. The first signals Monday point downwards.
- Gas

After rising sharply in Thursday's session, the European gas markets retreated a bit again Friday. Thursday, front-year prices reached all-time high levels due to the rising fears of a complete stop for Russian gas to Europe, but once again the market calmed down as the gas so far continues to flow from Russia. This week will of course also be dominated by this topic, as all eyes are on the tensions between Europe and Russia.
- Coal

European coal prices climbed along with gas Thursday before edging down a bit again in Friday's session. The market still tries to digest the consequences of the European ban on Russian coal, which will be implemented from August. So far, there are no near-term supply concerns however, as stock levels at the big European coal terminals are at the highest level in almost a year.
- Carbon

There were no big fluctuations on the European carbon market Friday, where the benchmark contract closed at 88,48 EUR/t. The market remains range-bound around 90 EUR/t, despite the high uncertainty surrounding the fuel markets. If the market manages to climb above 90 EUR/t and stabilize there, it could pave the way for further increases. So far however, we expect further sideways trading today.
- Hydro

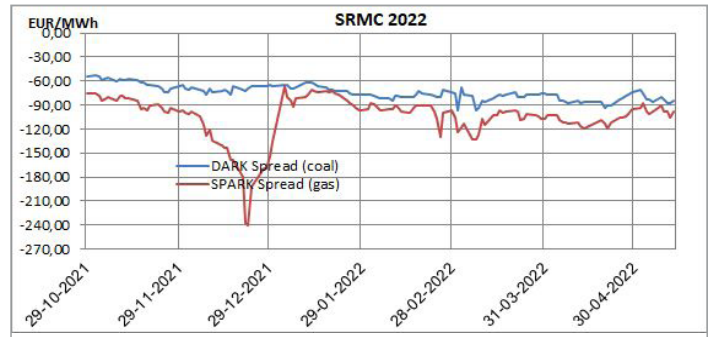
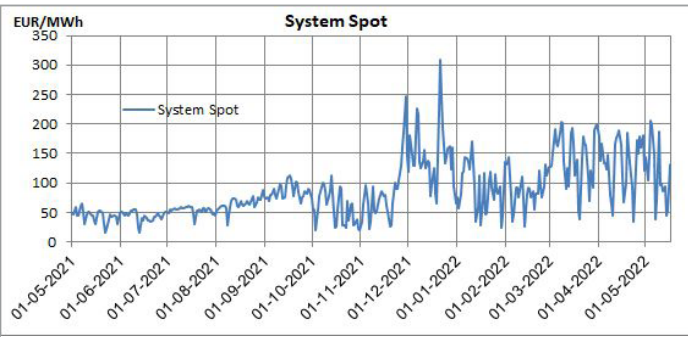
With the prospect of above-average precipitation and temperatures this week, the deficit on the Nordic hydro balance is shrinking. It is expected at -6 TWh in two weeks' time, down from -11 TWh last week. The forecasts today do not offer any major changes to the outlook and should not cause any big fluctuations on the Nordic power market.
- Germany

In Thursday's trading, the German power market climbed sharply along with the gas and coal markets, before moving sideways Friday. The country's 2023 contract closed last week at 229 EUR/MWh, the highest level ever. Volatility will inevitably remain high this week as the Russian gas supply to Europe and Germany in particular will once again be the big topic. The market opens down Monday as the first signals from the gas market are bearish.
- Equities

On the financial markets, last week ended with a rebound following Thursday's sharp losses, partly attributed to signals from the US Fed that they are not considering increasing interest rates further anytime soon. This week will see the concerns surrounding inflation continue however, and we could see a bearish opening in Europe.
- Conclusion

The Nordic power market climbed during the last days of last week, rebounding following the sharp losses the previous sessions. Bullish gas, coal and German power were the main reasons behind the uptrend, as the Q3-22 and 2023 contracts settled Friday at 83,25 EUR/MWh and 74,00 EUR/MWh respectively. Monday, we could see a neutral opening to the week, since the weather forecasts do not provide any major signals to the market.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
14-maj	145,55	63,71	12,68	12,68	109,81	137,87	44,60	June	198,75	202,25	64,75	129,75	66,75	144,75	74,75
15-maj	149,03	149,03	61,86	61,86	72,79	141,86	53,68	Q3-22	233,25	236,25	76,75	140,75	81,25	143,25	83,25
16-maj	208,39	210,67	123,78	143,53	128,86	176,69	131,54	2023	180,00	181,00	71,87	141,00	75,95	107,75	74,00



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