

## Expectation

Oil



Once again, we saw largely sideways trading on the international oil market yesterday. The Brent front month contract trades just around the 100 USD/bbl mark for some days now, continuing to weigh the signals and the concerns surrounding both global supply and demand. Weak Chinese economic data causes uncertainty and recession fears, which curbs any upside that the embargo on Russian oil could cause. Focus today will be on a meeting between the OPEC countries and Russia, but the market does not expect any further production increases.

Gas



There was no end to the price climbs on the European gas market yesterday either, as fears of supply shortages during the coming winter remains the dominant topic across the markets. Russia has extended its supply stop to include Latvia as well, and the market fears that supply to Europe could seize completely any day.

Coal



For a second straight day, we saw that the European coal market retreated despite rising gas prices yesterday. The coal market remains very well supplied, with high stock levels across the continent, and this curbs the upside on the market despite the fact that demand is expected to rise significantly due to the EU gas-saving plan during autumn and winter.

Carbon



The uptrend continued on the European carbon market yesterday, where the benchmark contract climbed to 81,95 EUR/t, up another 1,47 EUR/t against the previous close. The market continues to respond to low auction supply, although the expected effects of the EU's gas-saving plan is less industrial activity, which should also limit demand on the carbon market.

Hydro



Both precipitation and temperatures are expected just around seasonal average during the forthcoming ten days, and the absence of any clear direction from the weather forecasts, mean that it is still the gas rally and the development on this market which is decisive for the development on the Nordic power market.

Germany



Yet again, the German power market rallied yesterday, and yet again, the country's 2023 contract extended the all-time highs from the previous day. It now costs 398,50 EUR/MWh, briefly trading above 400 EUR/MWh during the day. As long as the gas panic continues, the German power market will just follow suit and nothing suggests that the market could not go even higher today, as we are already in the middle of unknown territory with the current price levels.

Equities



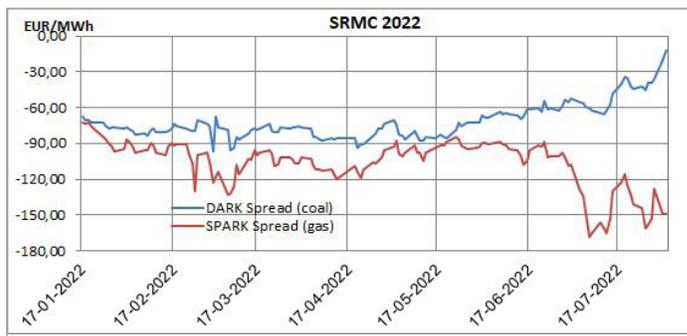
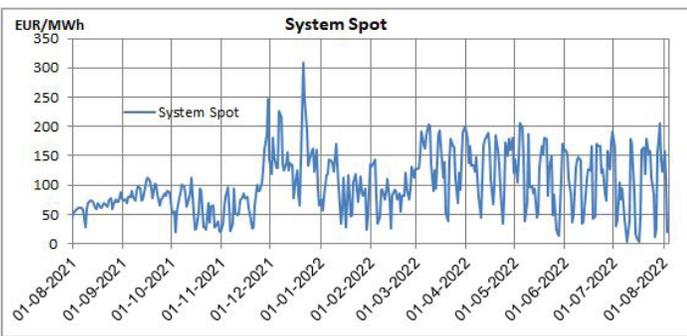
On the financial markets, the sentiment was negative Tuesday, where both the Asian, European and US markets edged down. The big topic these days is the official visit of US House Speaker Nancy Pelosi to Taiwan, something which the markets fear could cause a huge diplomatic crisis between the US and China and increase the economic uncertainty.

Conclusion



For an eight straight day, prices climbed yesterday on the Nordic power market, which just keeps on setting all-time highs every day. The fierce uptrend is primarily attributed to the European gas crisis and to the expectations of low hydro resources in Norway during the coming autumn and winter. As long as gas and German power keeps rallying, we expect the Nordic market to follow. This could easily be the case today, although any signs of higher gas supply from Russia will also cause a downwards correction.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
01-aug	376,83	376,83	120,13	133,19	275,36	222,04	158,90	September	391,50	391,50	212,45	308,50	290,50	271,00	203,00
02-aug	331,85	267,03	61,54	61,54	192,62	235,77	110,19	04-22	440,50	447,48	280,20	386,18	370,50	329,00	276,00
03-aug	295,17	277,35	4,42	4,42	10,16	236,97	19,87	2023	310,63	319,50	163,00	261,00	178,00	196,00	156,00



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