

Expectation

- Oil**

Brent oil settled at 90,46 USD/bbl after rising almost 3 USD during the afternoon on Russian oil supply concerns, a rebounding Chinese demand and supply constraints from the OPEC. Since Putin's announcements on "partial mobilization" of troops in the war in Ukraine, the EU is rushing to create a political agreement that would impose a price cap on Russian oil. With another round of interest rate hikes yesterday that shook the financial markets and expectations of low PMI numbers in the manufacturing business coming out today, the oil market might retract downwards.
- Gas**

Trying to digest the new situation and potential impacts, the gas market was yesterday bound in a relatively flat sideways' move. The Dutch TTF front month was observed in a range between 181,005 EUR/MWh and 197,880 EUR/MWh, before settling the session at 187,468 EUR/MWh. LNG supply is deemed robust for now, which seems to counter cool temperatures at the moment to some extent. The market start weaker once more this morning, but the downside might be limited, while the overall situation is prone to further surprises.
- Coal**

During yesterday's trading session, European coal prices were also seen with rather muted moves, while price levels remain close to the 3-month lows set Wednesday. The API2 front month settled down 2 USD/t at 290,00 USD/t, while the front year at its settlement of 277,37 USD/t slipped by 2,97 USD/t. While demand is expected to persist, stocks are deemed rather solid at the moment, while the supply appears sufficient as well. We might see another rather neutral session, while some downside could occur if this morning's sentiment in gas holds.
- Carbon**

The uncertainty in the CO2 market continues and traders are more looking for the exit sign and even build more short positions. The price is revolving around 70 EUR/tonne and the natural buyers are now more on the sell side, getting a positive cash flow to cover higher energy costs. They are selling free allocations in the market pushing prices down while traders also are uncertain regarding the demand destruction when reports coming in showing less demand. 65,60 EUR/t is the big short term support that the participants clearly aim for.
- Hydro**

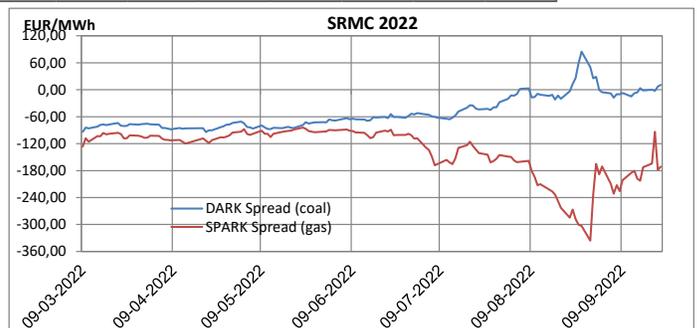
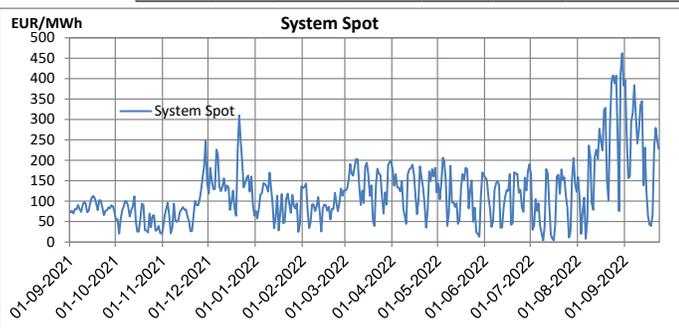
Today's outlook is much wetter in comparison to yesterdays EC12 operational. The updated forecast is more in line with former EC ensemble and weighs in at 10,5 TWh. It is 3,5 TWh above normal and 2,5 TWh wetter than yesterday. It is still a struggle between lows from the west and the placement of the high over the Cola peninsula. The ensemble is though 0,5 TWh less wet than yesterday and comes in at 9,5 TWh. Temperatures are rising from below normal to above normal in the last five days. Renewables will also pick up and stay above normal for the coming ten days. GFS model is ranging from 9,5-14,5 depending on ensemble or chosen solution but is holding on to an unsettled weather coming forth.
- Germany**

Once more, the German power market moved very much in line with the gas complex yesterday. The front year contract was seen at 530,00 EUR/MWh as its day high, but settled at 515,00 EUR/MWh before finishing the day at 503,00 for the closing trade. Gas remains the major driver, other fundamental drivers maintain a rather limited role for now. This morning trading activity focuses on nearby contracts at lower levels, which could potentially weigh a bit on longer dated contracts as well.
- Equities**

A blood-red day on the European stock markets as investors digested more interest rate hikes. The Swiss central bank raised rates by 50 basis points, marking an end to an era of negative rates in Europe as the struggles on inflation continues. The Stoxx 600 closed down 1,8 % with all sectors in negative territory except banks and basic resources. The Asian stock markets also fell overnight which could lead to falling prices in Europe yet again, though the futures markets indicate a calmer session ahead.
- Conclusion**

Yesterday was a quiet day on the Nordic power market with little turnover. Yet near the end of the day there came sudden price jumps where Q4-22 was lifted 10 EUR and Cal-23 lifted 2,50 EUR and closed at 285,50 and 175,13 EUR/MWh respectively. Even though the outlook suggests wetter forecasts ahead, the hydro balance is still in a large deficit, indicating that the Nordic market will follow the German power and gas market before the weekend.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
21-sep	379,94	379,94	354,72	354,72	329,63	377,05	279,34	October	363,00	349,50	218,50	332,00	222,00	334,00	202,00
22-sep	387,89	387,89	284,33	284,39	264,35	370,46	248,98	Q4-22	478,00	464,88	303,50	426,50	340,50	435,50	285,50
23-sep	368,33	368,33	247,06	247,06	203,28	351,73	228,24	2023	416,13	418,63	190,13	350,13	195,13	256,71	175,13



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