

Expectation

Oil



The rather steep downtrend on the international oil markets continued Friday, as rising corona virus figures in China and higher interest rates in the EU added to the insecurity about global demand. The Brent front month contract dropped to 87,62 USD/bbl, the lowest level since September, and continues to fall Monday morning as the production cuts initiated by OPEC and their allies are currently unable to prevent the market from trading down.

Gas



Ahead of the weekend, we saw a rather neutral session on the European gas market. Despite the current cold weather spell in large parts of Europe, storages are still filled to the brink and the outlook also suggests that temperatures will start rising again at some point during this week. There is however some upside on the market if we see signs of a new long-lasting cold period.

Coal



Supply issues once again led to a bullish day on the European coal market Friday. In Colombia, a country which has become even more significant to Europe following the ban on Russian coal, we see some export issues at the moment, and this affects prices in Europe. The weather remains important as well, and as with gas, any signs of winter weather could trigger a price jump.

Carbon



Last week ended with sideways trading on the European carbon market, where uncertainty is still high amid EU negotiations. Law-makers in Brussels are looking at a market reform which should minimize fluctuations on a market which has been very driven by speculative actors over the last years. We expect the range-bound trading to continue today, although rising power and gas prices could offer some upside.

Hydro



Monday morning, we see a confirmation of the weather outlook from ahead of the weekend, indicating that the current cold conditions will continue until mid-week, from which point on it will be replaced by milder weather. From early next week some forecasts are suggesting a return to the cold weather during the first part of December, which is a bullish sign for the Nordic power market.

Germany



On the German power market, we saw a rather neutral session Friday, as mixed signals from the related markets failed to provide any clear direction to the market. The country's 2023 contract ended up closing at 317,75 EUR/MWh, largely unchanged from Thursday. Monday, we could see a bullish development due to signs of winter weather in December.

Equities



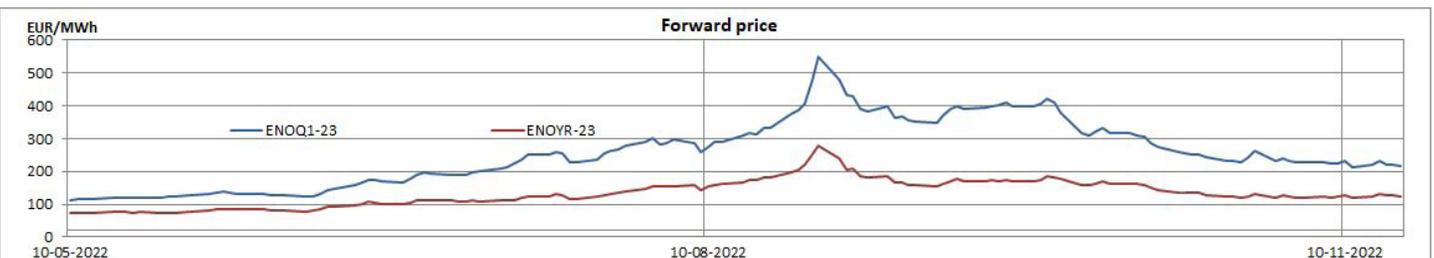
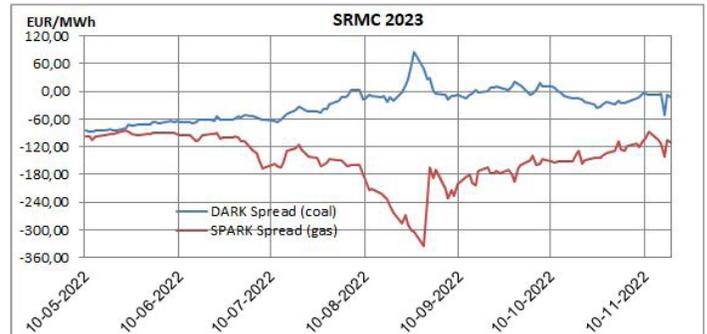
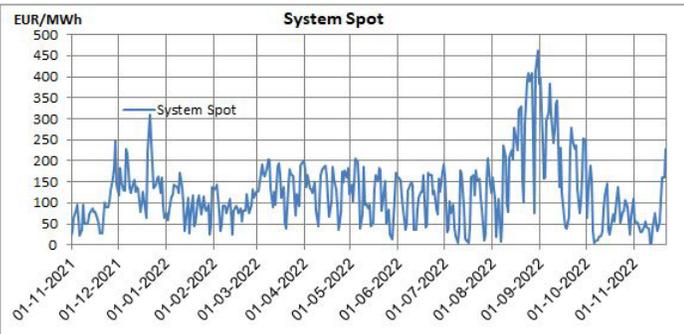
Following a cautious opening, the European stock markets saw some risk appetite Friday, amid hopes that the central banks will start pausing a bit from their interest rate hikes. The European Stoxx600 Index climbed 1,2 % while the US markets were up a bit less later in the day. The first signals early Monday are bearish however due to rising corona virus figures in China.

Conclusion



Friday, the Nordic power market opened the day bearishly due to milder weather forecasts, but the losses were erased during the afternoon. The Q1-23 and 2023 contracts ended up closing at 216 EUR/MWh and 125 EUR/MWh, only modestly down from Thursday. Today, we expect a bullish development on the market as the weather forecasts indicate that a cold spell could return to the Nordic area during the early weeks of December.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
19-nov	191,78	191,78	186,08	186,08	218,76	159,33	160,51	December	207,25	197,38	190,00	210,00	282,50	216,50	170,00
20-nov	209,75	209,75	207,11	209,44	217,58	154,71	159,95	Q1-23	273,00	282,75	230,75	264,50	336,00	275,00	216,00
21-nov	253,82	253,82	252,80	252,80	264,19	199,09	228,58	2023	291,00	292,50	139,00	225,00	174,00	188,00	125,00



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