

Expectation

- Oil** ➔

On the international oil market, we saw the most bearish session of the year so far, after prices have otherwise been climbing steadily during the entire month. Yesterday, the market appeared to make a correction, as there are still some concerns about the global economy amid high inflation and interest rates, as well as fears about a new recession. The Brent front month contract fell to 86,13 USD/bbl but recovers slightly early in Wednesday's trading.
- Gas** ➔

The big news on the gas market yesterday was that the Freeport gas facility in the US, which has been shut down since last summer following a fire, is ready to start operating again. This should provide Europe with the option of higher LNG import from the US, and the market did edge down on the news. Continuously mild and windy weather forecasts for large parts of Europe add to the downside, and further losses appear likely Wednesday.
- Coal** ➔

With new noticeable price falls on the gas market, European coal prices edged down as well. Mild and windy weather will likely keep demand low through the first part of February as well, and higher competition from gas adds to the downside. On the short term, the Chinese New Year's holiday means that there is limited consumption in Asia as well.
- Carbon** ➔

Following a week of steady increases, we saw a noticeable downwards adjustment on the European carbon market yesterday, where the benchmark contract fell almost 5 % and closed at 81,67 EUR/t. Low coal consumption limits demand for allowances as well, and not even the ongoing compliance buying demand was enough to prevent the rather big decline. We do not expect the same kind of fluctuations today, where it seems likely that the market will consolidate.
- Hydro** ➔

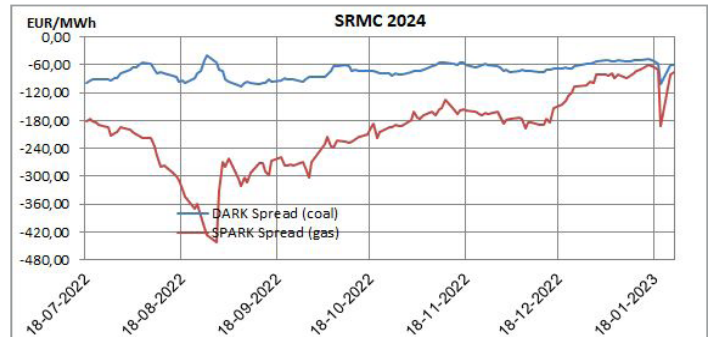
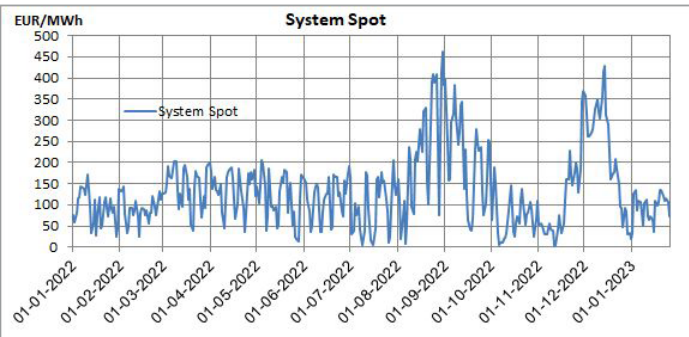
Temperatures in the Nordic power market are expected to remain 2-5 degrees above average for at least the next two weeks. Meanwhile, precipitation is expected 30-50 % above normal during the same period, and since wind output should also increase to well above normal, the outlook remains bearish for the Nordic power market.
- Germany** ➔

Rather sharp losses across the fuel markets and on the carbon market naturally led to a bearish session on the German power market as well yesterday. The country's 2024 contract fell more than 10 % and closed at 166,07 EUR/MWh, as demand in the country is expected to remain rather low since the weather forecasts remain mild and windy. As gas continues to fall early Wednesday, while the weather forecasts have not changed noticeably, the market could easily edge further down.
- Equities** ➔

After two straight bullish sessions, the European stock markets calmed down a bit yesterday, and closed slightly down, while the US markets were largely neutral later in the day. Focus on the markets is starting to turn to next week's interest meeting in the US Fed, and Wednesday opens slightly bearish on the European markets as well.
- Conclusion** ➔

Prices continue to fall sharply on the Nordic power market, as the big losses on the related markets and the mild, wet and windy weather forecasts continue to keep the market in a bearish sentiment. The Q2-23 and 2024 contracts fell to 61,00 EUR/MWh and 66,00 EUR/MWh respectively, which for both contracts is the lowest level since early last summer. Today, the market opens further down as German power and gas falls, while the next two weeks look mild, wet and windy.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
23-jan	202,46	202,46	148,43	188,64	81,41	184,15	116,41	February	113,50	113,50	95,75	104,00	101,50	113,00	93,00
24-jan	198,13	198,13	114,25	175,64	114,91	172,43	106,26	Q2-23	138,75	136,63	64,00	106,00	69,38	102,00	61,00
25-jan	134,80	128,11	24,33	86,80	24,33	128,52	73,94	2024	139,25	138,00	68,50	108,00	68,70	101,00	66,00



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