

## Expectation

Oil



Thursday, the downside continued on the international crude oil market, however to a more limited extent than what we witnessed Wednesday. The Brent front month contract fell with a marginal 0,06 USD/bbl, closing at a year-low of 46,92 USD/bbl. The market fell drastically Wednesday due to US inventory data and the fact that this is more important than OPEC's production cuts shows that these are still far from being a factor to stabilize prices as it was originally hoped.

Gas



The European gas markets have had a bearish week so far and the downside continued Thursday. On the British market, spot prices were at a nine-month low as an oversupplied system and expectations of fresh LNG arrivals pressured the market. On the long end of the curve, the NBP Winter-17 contract fell 0,45 p/th to a closing price of 44,73 p/th. On the continent, prices also fell, although to a bit lesser extent than in the UK.

Coal



Thin liquidity on the Asian coal markets are keeping a hand under prices, causing the market to avoid the downside which both the oil and gas markets have seen. On the European market, demand remains quite high as coal-fired power production is popular at the moment due to reduced hydropower availability and high profit margins.

Carbon



Yesterday was another day with limited fluctuations on the European carbon emissions market, which continues to trade within a very narrow range. The benchmark contract closed at 4,96 EUR/t, up a marginal 0,02 EUR/t from Wednesday. The market is awaiting the final negotiations on the new quota reform, which will start this summer in the EU. It will probably take news from there to really cause the market to make any movements.

Hydro



This morning, the Nordic weather outlook is slightly drier than what was forecasted yesterday, with some dry days expected in the middle of next week. This is however nothing that should cause anything more than a minor upside on the short end of the Nordic power market. Temperatures remain around average, but it should turn a bit cooler later this week.

Germany



The continuously rising coal prices are adding strong support to a German power market, which has avoided losses despite warmer weather and falling oil and gas prices recently. Yesterday, the Cal-18 contract closed completely flat at 30,40 EUR/MWh. Trading activity was limited due to public holiday in several of the German states.

Equities



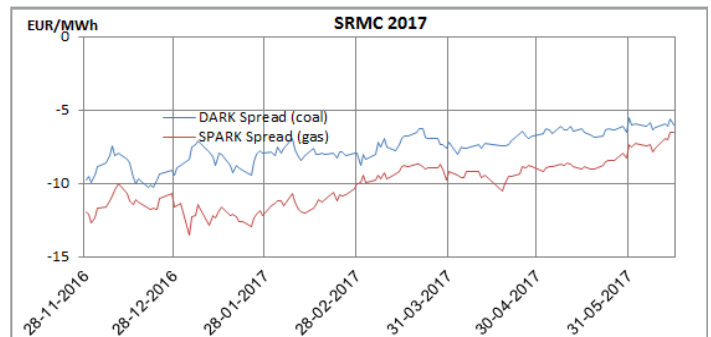
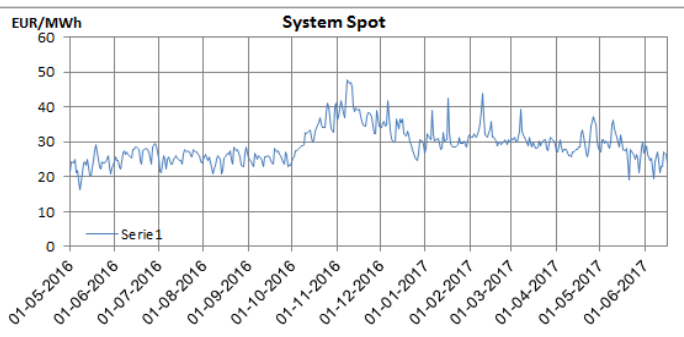
In both the US and Europe, stock markets were down yesterday, probably as a combination of falling oil prices and rising interest rates. Key figures from the US on industrial production also came out disappointingly.

Conclusion



Slightly wetter weather forecasts led to a downside on the Nordic power market yesterday, although most contracts traded within a relatively narrow price range. The Q3-17 contract fell 0,07 EUR/MWh, closing at 24,53 EUR/MWh, while the YR-18 contract was down 0,20 EUR/MWh, settling at 24,70 EUR/MWh. This followed Wednesday's huge upside after the German-Danish cable agreement was announced. Today, we expect a neutral session, possibly with a slight upside on the short end of the curve.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
14-jun	36,02	36,02	32,59	35,65	36,93	24,06	27,29	June	28,63	29,61	26,08	26,66	31,76	24,53	24,53	June	34,23	26,27	68,63
15-jun	32,31	32,31	29,43	31,10	36,90	24,86	26,48	Q3-17	27,63	28,80	26,50	27,13	30,00	22,34	22,70	Q3-17	34,01	27,37	65,80
16-jun	19,19	24,16	23,59	23,59	34,13	23,10	24,02	2017	27,08	28,55	26,80	27,00	30,45	24,56	24,70	2018	30,71	31,18	65,80



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