

Expectation

Oil



Following a fiercely bearish sentiment throughout last week, the crude oil market stabilized somehow Monday. The Brent front month contract fell, but only by 0,20 USD/bbl, settling at 62,59 USD/bbl. The concerns of a global oversupply remain intact, but yesterday, stronger signals from the Asian markets managed to limit the downside significantly. Tuesday morning, the market appears to edge slightly up, but no major upside seems likely.

Gas



Day-ahead gas prices fell yesterday in most of Europe, as milder weather forecasts compared to the cool conditions last week led to decreasing demand. Further out the curve, the markets edged slightly up, with the NBP Winter-18 contract rising 49,75 p/th, up 0,07 p/th against the previous close.

Coal



The European coal market rebounded to some extent yesterday, but demand on the market remains quite thin. The Chinese market will return to normal following New Year this week, and this will most likely strengthen near-term demand. Until we get more signals from Asia, it is likely that we will see sideways trading in Europe.

Carbon



Demand remains very strong on the European market for carbon emissions, where the high bidding activity yesterday led to another upside. The benchmark quota contract settled at 9,48 EUR/t, up 0,25 EUR/t against the previous close and at the highest price level for several years. The upside can also be attributed to speculative trading and expectations of a tighter market.

Hydro



Temperatures in the Nordic area are slightly above average right now, but the most recent forecasts show a colder solution starting around the coming weekend. We could see high precipitation levels during this week, but not all days look wet. The Nordic hydro balance is still in a solid surplus, which is expected at 13,3 TWh in two weeks' time.

Germany



After falling sharply last week, the German power market opened this week with gains. The country's Cal-19 contract rose 0,35 EUR/MWh, closing at 33,15 EUR/MWh. The coal market has rebounded a bit from the previous lows and with the European CO2 quota market currently at a multi-year-high, the German market does receive some support. The market opens with further gains Tuesday.

Equities



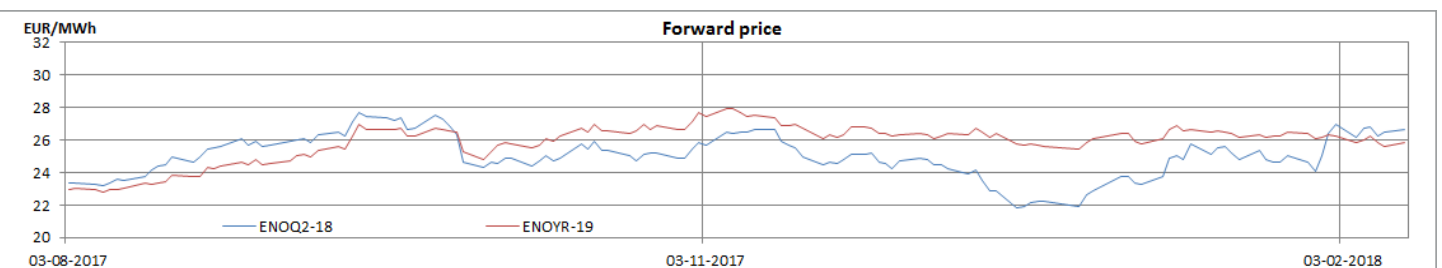
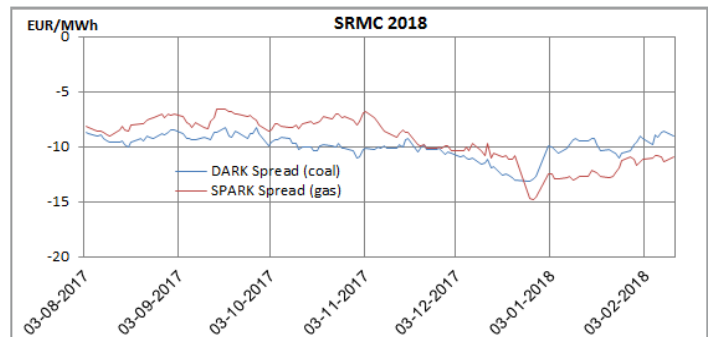
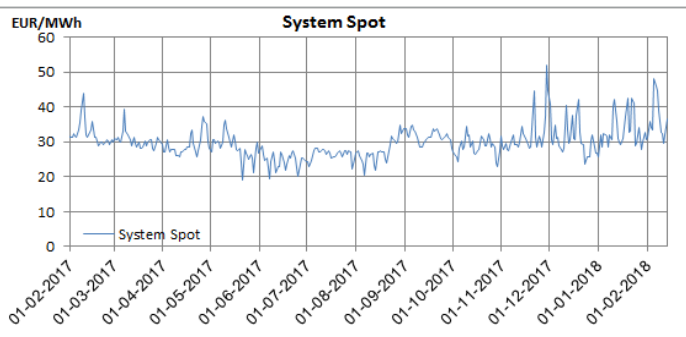
Following Friday's late upside on the US stock markets, it was no surprise to see the European indexes rise as well Monday. The Stoxx600 Index was up 1,17 % for the day. Later in the day, the gains continued in the US, where the S&P 500 Index was up 1,39 %.

Conclusion



On the Nordic power market, the week opened with rising prices, although the gains were minimal in the short end of the curve. The Q2-18 contract rose 0,10 EUR/MWh to 26,60 EUR/MWh. Further out the curve, the upside on the coal and carbon markets led to a bullish sentiment on the YR-19 contract, which was up 0,25 EUR/MWh, settling at 25,84 EUR/MWh. The forecasts look a bit cooler this morning, and as the German power market also moves upwards, we could very well see further gains Tuesday as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
11-feb	11,52	21,37	29,71	29,71	29,71	29,71	29,50	February	31,95	34,50	33,25	34,73	37,50	33,35	33,50	February	36,29	42,07	68,63
12-feb	26,96	27,05	31,41	31,50	39,27	31,44	32,06	Q2-18	31,63	32,25	28,10	28,90	33,80	26,25	26,60	Q2-18	36,06	36,47	76,82
13-feb	37,25	38,09	37,25	38,09	37,25	37,25	36,61	2019	29,89	31,59	28,24	28,64	31,84	25,79	25,84	2019	34,82	36,69	76,82



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