

## Expectation

Oil



Tuesday, the crude oil market edged further down, with the Brent front month contract falling 0,58 USD/bbl to 75,88 USD/bbl. Increasing supply appears to be the main price driver, with output rising in the US and prospects of a loosening of the current OPEC-Russia production cut deal, which is set to be re-negotiated later this month. We expect another minor downside in Wednesday's session, although the market will likely consolidate around 75 USD/bbl.

Gas



There were rising prices on most European gas markets yesterday, where decreasing supply led to an upside on the day-ahead markets. Further out the curve, the market edged up as well, likely in a response to the recent gains on the related oil and coal markets. The NCG Cal-19 contract closed at 20,40 EUR/MWh, up 0,26 EUR/MWh from Monday. We expect further gains today.

Coal



On the European coal markets, the bullish sentiment continued yesterday. A potential strike among South African miners led to insecurity, and a heatwave in Asia has caused increased demand in especially China. Even a slight movement in Chinese demand also affects prices in Europe, and with supply concerns, the market has turned very bullish.

Carbon



A slight downside struck the European CO2 quota market yesterday. After surging earlier in the year, where the quota price rose from 8 to 16 EUR/t, the market now somehow appears to have stabilized. The market still remains uncertain regarding the effects of the EU market reform, but there are not currently any more upside in those concerns. A slight rebound seems likely today.

Hydro



The very dry and warm conditions in the Nordic area are slightly disappearing after a high pressure has dominated for more than a month. During the next couple of weeks, we will see more unsettled conditions with precipitation amounts that change a lot from day to day. Meanwhile, temperatures will be just around average throughout the coming weeks.

Germany



Gains on both the coal and gas markets led to a bullish sentiment on the German power market as well yesterday. The country's Cal-19 contract was up 0,90 EUR/MWh, settling the day at 41,90 EUR/MWh. The contract is entering its last few weeks of trading and will most likely trade up today's session as well.

Equities



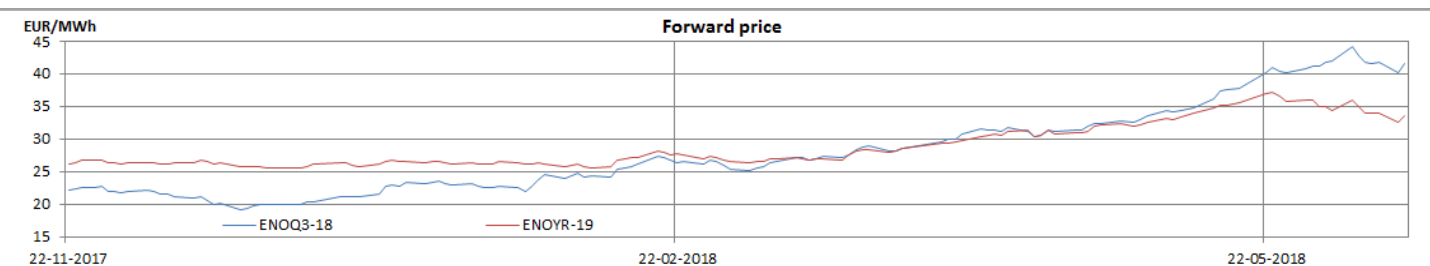
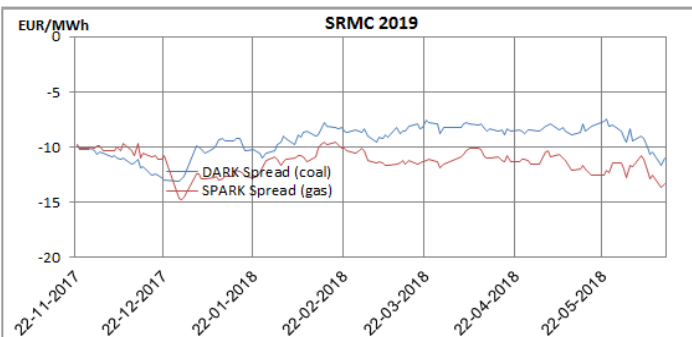
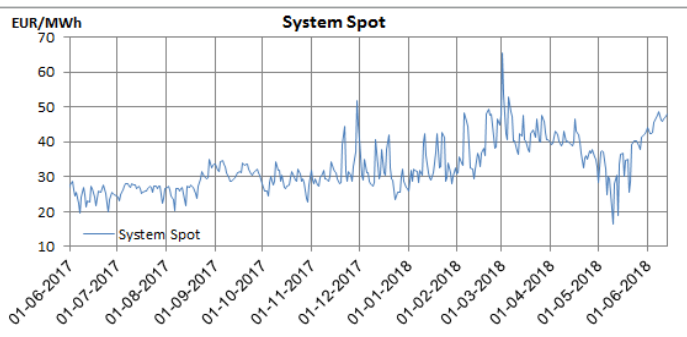
As expected, Tuesday was positive on the financial markets following the relatively successful summit between Donald Trump and Kim Jong-un. Late in the day however, the market traded down a bit, both in Europe and in the US.

Conclusion



Tuesday ended up quite bullish on the Nordic power market, where both short and long term contracts rose due to the gains on the coal and gas markets, and the upside in Germany. The Q3-18 contract was up 1,37 EUR/MWh, closing at 41,57 EUR/MWh, while the YR-19 contract rose 0,96 EUR/MWh, settling the day at 33,60 EUR/MWh. The wetter forecasts could cause a downturn today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
11-jun	45,94	60,53	46,73	52,49	50,64	46,45	46,58	July	46,98	47,60	42,70	43,40	46,28	40,57	41,65	July	47,52	48,04	68,63
12-jun	49,88	94,61	46,73	57,05	46,73	46,20	46,80	Q3-18	47,50	48,32	44,72	45,44	48,90	40,49	41,57	Q3-18	47,40	48,62	90,80
13-jun	49,60	53,72	50,28	53,72	55,75	46,78	48,15	2019	36,73	38,30	35,03	36,00	38,68	33,55	33,60	2019	44,53	46,95	90,80



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