

Expectation

- Oil** ➔

Tightening supply from the production cuts by OPEC and Russia, combined with declining US inventory levels, meant that Wednesday was yet another bullish day on the international crude oil markets. The Brent front month contract closed the day at 69,20 USD/bbl, up 0,38 USD/bbl against the previous close. The market has been rising steadily since OPEC and Russia announced the prolonging of the cuts in November last year, and prices have not been this high in almost three years. The upside does not appear to continue Thursday.
- Gas** ↗

Although near-term prices fell due to a healthy supply picture and mild weather forecasts, the long end of the curve on the European gas markets saw a big upside in Wednesday's trading. The reason for this is renewed insecurity regarding Europe's largest gas field in the Netherlands, where an earthquake last week now has led to speculation of production cuts. Yesterday, the operators of the gas field proposed a plan to reduce output. Therefore, prices rose sharply, with the British NBP Winter-18 contract up as much as 1,16 p/th, settling at 54,62 p/th.
- Coal** ↘

For a third straight day, European coal prices edged down yesterday. It is the first time in several months, that the otherwise very bullish market sees three straight bearish sessions. The reason behind the losses is lack of demand signals from Asia, although the risk of a strike among coal workers in Colombia ended up curbing the downside to some extent.
- Carbon** ↘

The European CO2 quota market saw a second straight bullish session yesterday, with the benchmark quota contract closing at 7,89 EUR/t, up 0,11 EUR/t against the previous close. The upside has taken place despite losses on both the coal market and on the German power market.
- Hydro** ➔

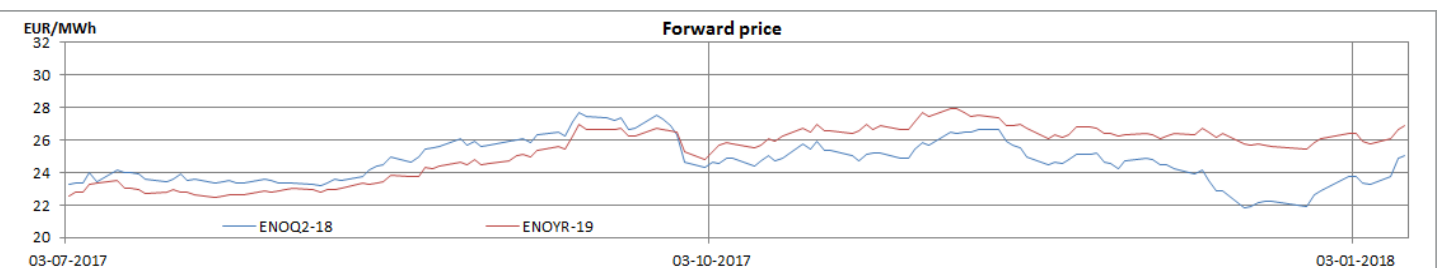
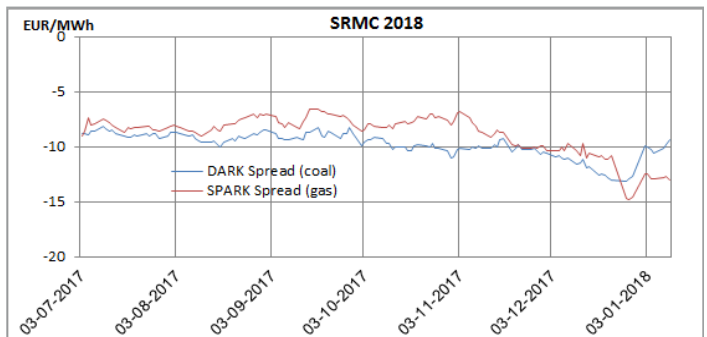
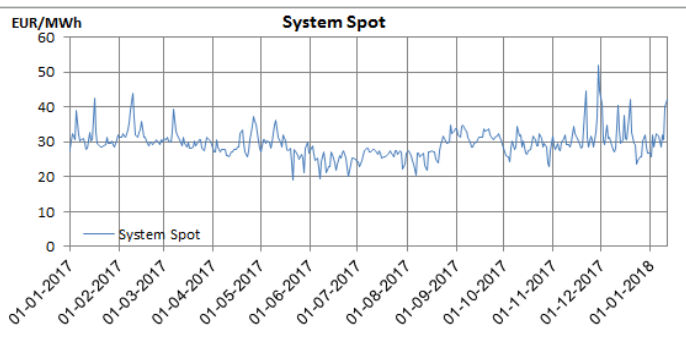
When the current dry period ends early next week, precipitation amounts are set to increase across the Nordic region. The forecasts do however indicate that we could see another high pressure in around 7-10 days, which should lead to dry conditions once again. In total, the 10-day forecast is slightly drier than seasonal average. Temperatures are expected to decline to slightly below average during next week.
- Germany** ↘

Mild weather forecasts combined with a rare bearish sentiment on the coal markets led to a downside on the German power market in Wednesday's trading. The country's Cal-19 contract fell 0,40 EUR/MWh, settling at 35,80 EUR/MWh. The market also responded to falling demand in France, something which influences the neighboring countries, including Germany, as well. We expect further losses today.
- Equities** ➔

For the first time this year, the European stock markets saw a bearish day yesterday. The negative day came after a very bullish opening to the year. On the US markets, the indexes also fell. Thursday, focus will be on unemployment figures from the US.
- Conclusion** ↘

Trading activity was weak on the Nordic power market yesterday, but most contracts did end the day with a slight upside nonetheless, due to rising carbon prices. The gains were however quite marginal and based on a low amount of trades. The Q2-18 contract rose 0,10 EUR/MWh to 25,00 EUR/MWh, while the YR-19 contract was up 0,25 EUR/MWh, settling at 26,85 EUR/MWh. Thursday, we expect the market to trade down a bit as a correction to the gains earlier during the week.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
09-jan	27,17	27,17	30,16	30,16	34,30	30,40	30,61	February	35,13	36,75	35,83	37,95	39,20	33,90	34,20	February	39,94	44,89	68,63
10-jan	40,41	40,41	40,02	40,02	40,20	39,92	40,06	Q2-18	32,65	33,60	27,23	27,75	31,93	24,65	25,00	Q2-18	38,88	38,86	79,76
11-jan	43,84	43,84	43,03	43,12	43,12	43,03	42,31	2019	31,60	33,55	29,20	29,85	32,83	26,80	26,85	2019	36,16	39,81	79,76



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