

## Expectation

Oil



Friday, the week ended with a minor rebound on a crude oil market, which had otherwise been falling quite sharply during the week. The Brent front month contract closed at 62,47 USD/bbl, up 0,54 USD/bbl against the previous close. The upturn was attributed to increasing tensions regarding Iran, following the US shoot down of an Iranian drone. Early Monday, the market climbs further due to the Iranian seizure of a British vessel.

Gas



There were rising prices on the European gas markets Friday, where prices jumped as a part of a general upturn on the fuel markets. Demand has increased a bit lately, and with an ongoing fuel switch of coal to gas, this could potentially continue for the coming weeks. The first signals Monday point towards a minor downwards adjustment.

Coal



We saw a bullish session on the European coal markets as well Friday. A potential heat wave across Europe the coming weeks will increase power demand, especially if France has to cut some of their nuclear reactors which it looks like right now. Therefore, the API 2 Cal-20 contract climbed 2,45 USD/t, closing at 70,80 USD/t, the highest price level for more than two months.

Carbon



Following some bearish days, the European carbon emission market made a huge rebound in Friday's trading, where the benchmark contract rose 1,11 EUR/t and closed at 28,89 EUR/t. This is just marginally below the 11-year high from Monday. The increase was attributed to technical signals and short-term buying, and the 30 EUR/t-barrier is still the main milestone in sight for the market.

Hydro



Monday morning, we see the trend from Friday, with a drier weather outlook for the coming week in the Nordic area confirmed. Following the extremely dry conditions this week, we will likely see a more normal situation in week 31. Temperatures are expected slightly above average and in total, the outlook is a slightly bullish signal for the Nordic power market.

Germany



On a day with rising prices across the fuel markets, and a big jump on the carbon emission market, it was no surprise to see an increase on the German power market as well. The short end of the market rose due to the prospects of a heat wave, while the Cal-20 contract was up 1,13 EUR/MWh, closing at 52,25 EUR/MWh. Monday, we expect another increase on the long end of the curve.

Equities



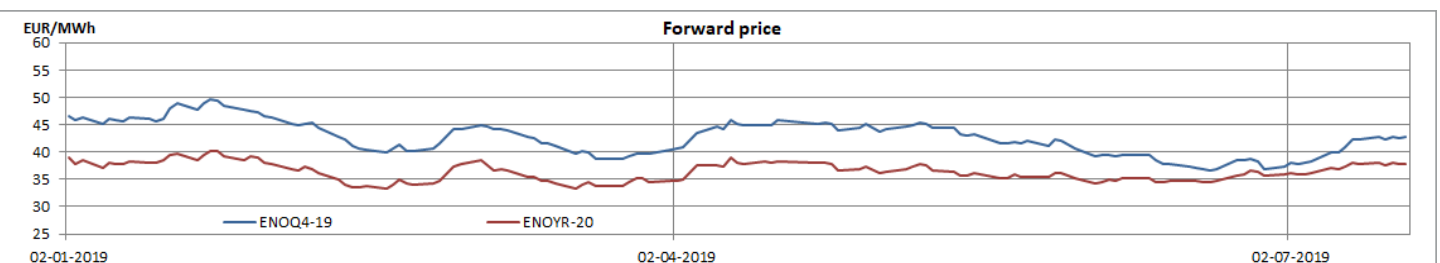
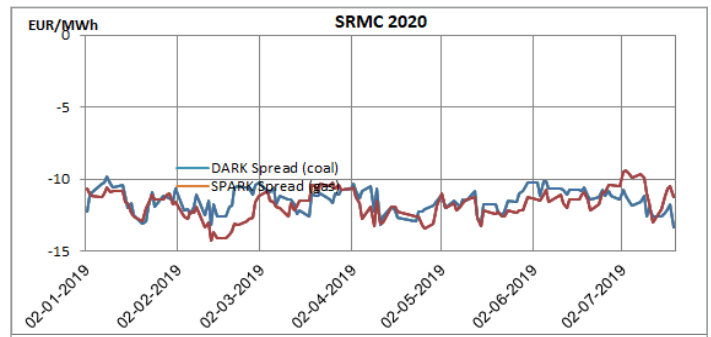
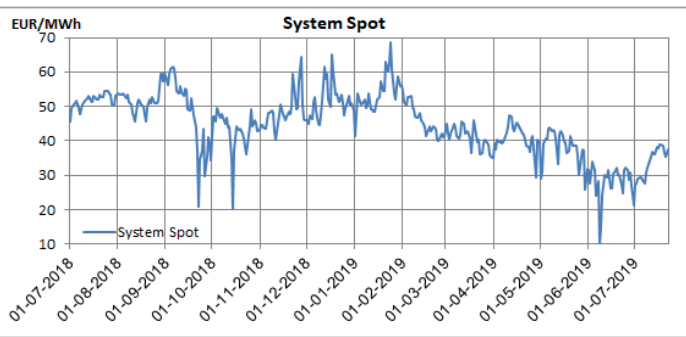
The international stock markets did not respond well to the increasing tensions in the Middle East Friday. The US S&P 500 Index was down 0,62 %, although the European markets managed to avoid losses. Activity on the market remains rather low due to summer holiday.

Conclusion



We saw rising prices on both the short and the long end of the Nordic power market Friday. Dry and warm weather forecasts, combined with a bullish day for fuels and carbon caused the market to edge up, although the upside was limited by a low system price for Saturday. The Q4-19 contract closed at 42,80 EUR/MWh, 0,15 EUR/MWh above the previous close, while the YR-20 contract rose 0,10 EUR/MWh to settle at 37,85 EUR/MWh. Monday, we expect a neutral day or a minor increase.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
20-jul	36,27	36,31	36,19	36,19	44,46	36,19	36,45	August	43,78	44,78	40,65	41,65	46,15	38,93	38,65	August	48,53	33,33	85,98
21-jul	35,00	35,49	35,12	35,12	40,98	35,14	35,38	Q4-19	46,93	47,88	43,55	45,05	47,45	43,03	42,80	Q4-19	49,49	47,37	0,00
22-jul	39,35	40,03	37,21	37,21	54,25	37,24	37,41	2020	43,18	45,08	39,30	40,35	42,55	37,88	37,85	2020	51,18	49,13	0,00



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