

Expectation

Oil



On the last trading day of last week, we saw falling prices on the international oil markets. The market continues to increase steadily week to week, but concerns about corona virus figures limit the upside. The Brent front month contract closed Friday at 44,40 USD/ bbl, down around half a dollar compared to the previous close. The market does appear to rebound Monday however, and could reach a 5-month high during the day.

Gas



After four fiercely bullish sessions earlier in the week, the European gas markets edged back down a bit in Friday's trading. LNG prices have increased noticeably due to lower production in other parts of the world, which has contributed to last week's overall bullish sentiment.

Coal



European coal prices edged slightly up Friday, with the API 2 Cal-21 contract climbing 0,15 USD/t, settling at 59,54 USD/t. There are no signs that demand will increase significantly anytime soon, but expected tighter supply during the second half of the year does however offer some bullish sentiment to the market.

Carbon



Sideways trading within a narrow range continued on the European carbon market Friday, where the benchmark contract closed at 26,42 EUR/t, 0,03 EUR/t higher than Thursday's close. Trading activity is very low, as the holiday mode is still on across Europe, and traders are awaiting further signals before taking new positions.

Hydro



Over the weekend, the Nordic weather outlook has turned drier. The next 5-6 days look extremely dry. From then on, conditions could turn slightly wetter but will likely remain below seasonal average well into next week. The dry and warm outlook is a bullish signal for the Nordic power market Monday morning.

Germany



There were mixed signals on the German power market Friday, but the Cal-21 contract ended up closing at 40,24 EUR/MWh, slightly down compared to Thursday's close. The market had increased sharply earlier in the week due to the ongoing heatwave, and we could see an upwards adjustment Monday.

Equities



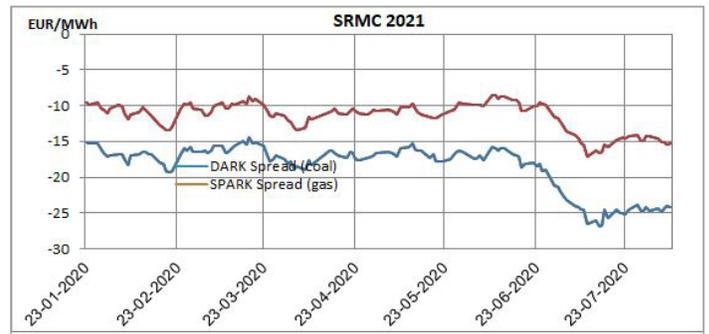
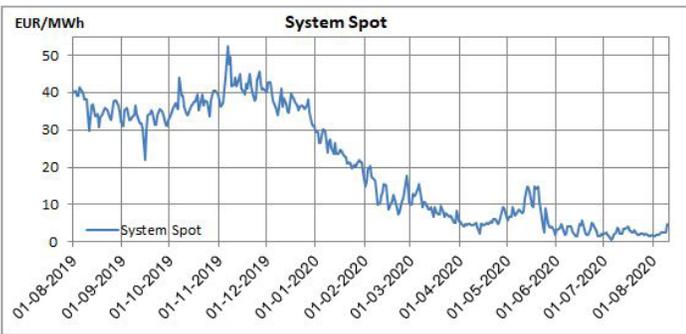
Friday was a slightly bullish day on the financial markets, with the European Stoxx600 Index climbing 0,29 % and the US markets rising as well later in the day. It was the monthly US job report which helped the market avoid losses, as the increasing tensions between the US and China actually point towards a negative sentiment. The first signals Monday are rather mixed.

Conclusion



The Nordic power market traded more or less sideways Friday. The Q4-20 and YR-21 contracts were both down 0,05 EUR/MWh, settling at 18,50 ERUR/MWh and 20,70 EUR/MWh respectively. Dry weather forecasts for the coming week are a bullish signal, but the hydro balance remains strong and the losses on the German power market also offered bearish support. Monday, we expect the dry, warm weather forecasts to cause a bullish day for Nordic power.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
08-aug	32,04	32,04	19,22	31,82	28,43	1,25	2,41	September	32,58	33,96	26,08	31,58	37,18	5,26	9,58	Septem-	42,34	27,13	61,12
09-aug	28,53	28,64	19,27	28,48	23,02	0,96	2,46	Q4-20	32,38	34,60	24,38	29,50	39,00	16,85	18,50	Q4-20	43,01	33,60	0,00
10-aug	36,98	40,93	35,19	39,93	38,63	1,05	4,72	2021	32,43	34,18	23,35	26,45	32,95	20,70	20,70	2021	44,87	36,01	0,00



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