

Expectation

Oil



The week opened with rising prices on the oil market, which slow but steadily continues the incline following the massive losses back during the early stages of the corona virus, which collided with the OPEC-Russia price war. The market has however still not won back all the lost ground, despite the Brent front month contract now at 44,99 USD/bbl. The first indications Tuesday point towards another minor increase.

Gas



European gas prices have rallied significantly recently. Yesterday, the day-ahead contract on both the British and Dutch gas hubs reached the highest level in several months, as improving demand, higher LNG prices in Asia and hopes of an economic recovery following the corona virus has caused the market to rise following a long bearish period earlier in the year.

Coal



Monday, there were falling prices on the European coal market, where the API 2 Cal-21 contract settled at 58,60 USD/t, down 0,90 USD/t from Friday. The market continues to see very low demand, and as storage levels remain high, this overshadows expectations of reduced supply over the coming months. We expect the market to stabilize today.

Carbon



Temperatures are currently very high in large parts of Europe, something which increases power demand, causing an ensuing higher demand on the European carbon emission market. As a result, the carbon price rebounded yesterday, closing at 26,71 EUR/t, 0,29 EUR/t higher than Friday's close. We expect the market to continue upwards Tuesday.

Hydro



Since yesterday, the Nordic weather outlook has not changed anything noticeably, and the next week still looks very dry and warm. From mid-next week, we could see a change to more unsettled conditions, with above-average precipitation and temperatures close to seasonal normal. The outlook is more or less neutral for the Nordic power market.

Germany



Rising prices on both the gas and carbon markets led to rising prices across the German power market yesterday. The country's Cal-21 contract climbed 0,30 EUR/MWh and closed at 40,54 EUR/MWh, although the short end of the curve felt a bit due to expectations of high solar and wind production. The market rises further early Tuesday.

Equities



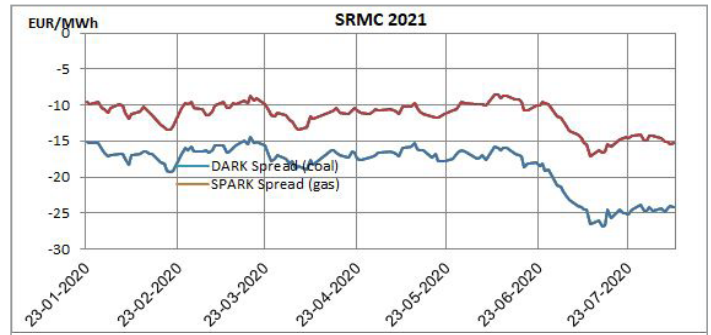
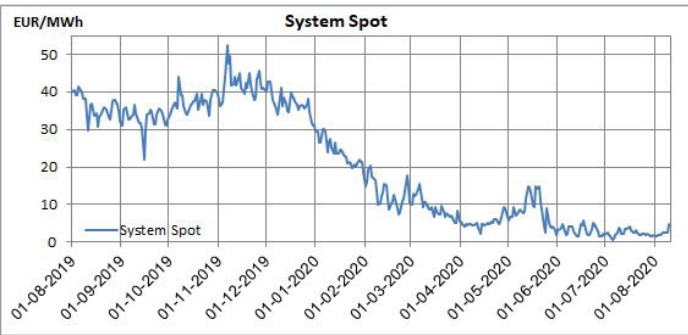
Monday, the international stock markets opened bullishly, and both the European and the US markets closed with minor gains of around 0,3 %. US President Donald Trump's promise of new support to the country's suffering economy helped the market rise, and the first signals from Asia Tuesday point towards another bullish day.

Conclusion



On the Nordic power market, we saw a bullish start to the week. The hydrological surplus in the Nordic area is decreasing, down from 20 TWh to 10 TWh during the last couple of weeks. This, combined with rising prices on the carbon market led to rising prices, with the Q4-20 contract and the YR-21 contract closing at 18,80 EUR/MWh and 21,09 EUR/MWh respectively. Tuesday, the rising carbon could drive prices up further on the long end of the curve, while we do not expect further gains on the short end.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
09-aug	28,53	28,64	19,27	28,48	23,02	0,96	2,46	September	32,85	33,85	25,60	31,60	37,70	5,78	10,10	September	42,64	26,65	61,23
10-aug	36,98	40,93	35,19	39,93	38,63	1,05	4,72	Q4-20	32,55	34,63	24,83	29,30	38,70	17,15	18,80	Q4-20	43,16	33,25	0,00
11-aug	36,30	41,46	39,19	39,90	39,49	1,57	5,94	2021	32,82	34,32	23,82	26,84	33,22	21,09	2021	2021	45,01	36,01	0,00



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