

Expectation

Oil



Friday, the week closed with a more or less neutral sentiment on the international oil markets. The Brent front month contract closed at 43,15 USD/bbl, down a marginal 0,15 USD/bbl for the day. The market continues to adjust to the new signals from OPEC that the organization will focus on member states' compliance with the output cut agreement, and to the hurricane disruptions to US production. The market continues sideways early Monday.

Gas



European spot gas prices fell in Friday's trading. The recent renewed concerns about the French nuclear reactors' availability have eased, and this has caused gas demand to decrease a bit. The falling prices on the carbon market added to the downside on the long end of the curve, with carbon retreating after the new EU climate ambitions were proposed mid-last week. With carbon set to continue down, gas could edge further down as well.

Coal



The European coal market managed to avoid losses on an otherwise bearish Friday across the markets, and the API 2 Cal-21 contract closed at 58,42 USD/t, up 0,17 USD/bbl for the day. The strike among Colombian coal workers has been going on for several weeks now, and there are no signs that an agreement is on the way. This keeps an hand under the market on a day where most signals were bearish.

Carbon



On the European carbon market, we saw another day of falling prices Friday. "Buy on the rumor – sell on the fact" has been the mantra on the market during the last week, with prices rising sharply ahead of the official announcement of the new and more ambitious EU climate goals, and falling after the speech of Ursula von der Leyen Wednesday. Prices continue down early Friday, but the volatile sentiment will continue and the market could easily change direction during the day.

Hydro



Over the weekend, we have received further wet weather forecasts for the Nordic area. The entire 10-day outlook is now well above average in terms of precipitation, as low pressure weather is set to dominate throughout the period. The hydro balance surplus continues to increase and with the weather reservoirs filled to the brim, the forecasts are very bearish for the short end of the Nordic power market.

Germany



German power prices fell for a fourth straight session Friday, as the bearish carbon market remains the most important price driver for Germany. The country's Cal-21 contract was down another 0,58 EUR/MWh, closing at 41,82 EUR/MWh. Monday, we expect the market to continue down, primarily because the carbon market continues to fall.

Equities



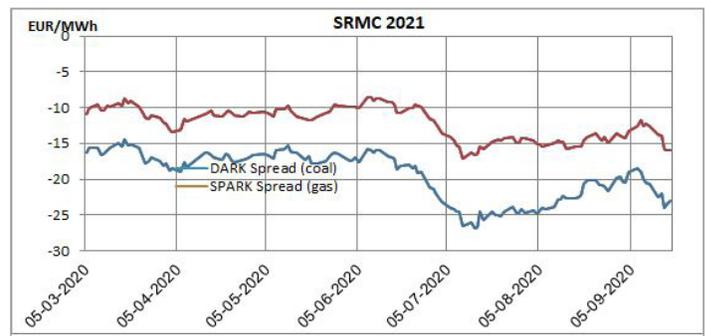
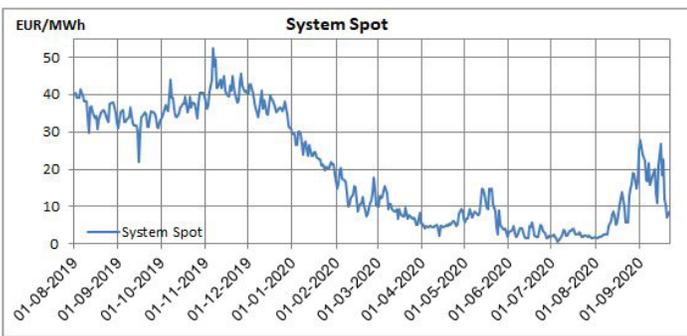
An otherwise strong week on the European stock markets ended with a bearish sentiment Friday. Increasing corona virus figures in several countries, and reinforced lockdown measures led to a risk-off sentiment on the market. The US markets continued down later in the day, and the first signals Monday are bearish as well.

Conclusion



Following some sharp losses earlier in the week, the Nordic power market managed to recover slightly in Friday's trading. This despite the continuously wet weather forecasts and the losses on the carbon market and in Germany. The increase in the Nordic area was likely a correction following the massive downwards movement, with the Q4-20 and YR-21 contracts closing at 20,40 EUR/MWh and 22,85 EUR/MWh respectively. Monday, we expect the bearish sentiment to return to the short end as the forecasts remain very wet.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
19-sep	35,97	35,97	25,47	32,21	29,21	6,78	10,35	September	34,85	35,98	29,35	32,25	36,35	14,35	16,35	September	44,10	33,58	56,27
20-sep	36,26	36,26	23,55	26,66	23,55	6,14	7,06	Q4-20	33,90	35,40	30,40	32,40	37,90	19,65	20,40	Q4-20	44,39	37,27	0,00
21-sep	60,08	60,08	22,45	26,93	25,68	6,90	8,54	2021	34,48	35,73	26,30	29,10	37,95	22,85	22,85	2021	45,82	38,77	0,00



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