

## Expectation

Oil



After opening the day with falling prices, the international oil market changed direction during the day yesterday, and ended up rising. New data show a decline in US inventory levels, and concerns about yet another hurricane limiting the production in the Mexican Gulf added to the bullish sentiment. The Brent front month contract ended up rising 0,88 USD/bbl, closing at 43,32 USD/bbl. We expect a calmer session during Thursday.

Gas



On the European gas markets, we saw rising prices yesterday following a couple of bearish days recently. Supply to continental Europe declined due to production outages in both Norway and Northern Africa, but once again the strong storage levels across Europe meant that the upside was rather limited. We expect sideways trading today.

Coal



European coal prices rose along with the related markets yesterday, where the API 2 Cal-21 contract climbed 0,51 USD/t, settling at 58,90 USD/t. Stock levels at the European coal terminals are at a two-year low following an increase in demand, and an ongoing strike among Colombian coal miners added to the upside. The recent losses on the carbon market have however limited the upside.

Carbon



The European carbon market managed to rebound in Wednesday's trading, recovering from a three-month low reached in the previous session. The market has traded within the 25-30 EUR/t range for several months now, so it was no surprise to see the market rise after approaching 25 EUR/t the previous day. Apart from technical support, the market remains focused on the corona virus development and on the ongoing Brexit negotiations. The market falls early Thursday but should remain above 25 EUR/t.

Hydro



Thursday morning, we see a confirmation of yesterday's wetter and milder weather outlook for the Nordic area. From next week, low pressure weather will cause higher amounts of precipitation and temperatures will rise gradually during the week. The forecast remains a bearish signal for the Nordic power market Thursday morning.

Germany



The German power market received bullish support yesterday from the rising coal, gas and carbon emission markets. As a result, the country's Cal-21 contract climbed as well, settling at 40,49 EUR/MWh, 0,52 EUR/MWh above the previous close. Nothing suggests that the market will stop tracking the carbon market anytime soon, so this will likely be the decisive factor today as well.

Equities



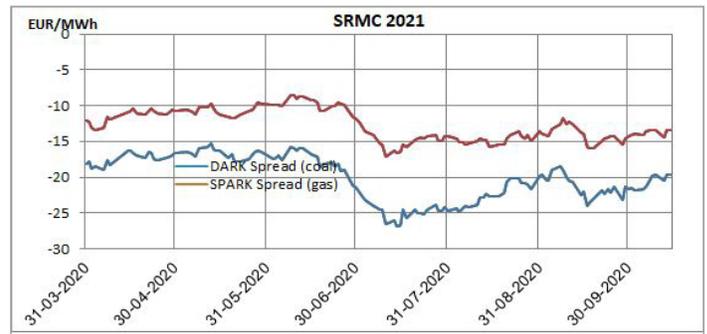
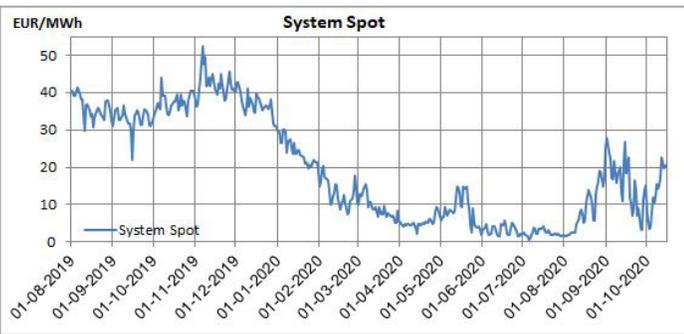
For the first time this week, we saw a negative sentiment on the European stock markets yesterday. The Stoxx600 Index only fell 0,09 % however, and the more or less sideways trading continued in the US later in the day. Focus is increasingly on the upcoming US Presidential election, which is now less than three weeks away.

Conclusion



Thursday, wetter and milder weather forecasts initially caused falling prices on the short end of the Nordic power market. Later in the day however, the market won back most of the losses and ended up closing more or less where it started. The Q1-21 contract settled at 28,50 EUR/MWh, down 0,15 EUR/MWh for the day, while the YR-21 contract settled unchanged at 24,00 EUR/MWh. We expect the losses on the carbon market and in Germany, as well as the mild, wet weather forecasts, to cause a bearish session across the curve today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
13-okt	48,32	49,70	46,43	47,84	47,66	18,65	21,45	November	32,08	34,70	29,65	33,90	38,90	23,70	24,40	November	42,93	38,06	62,25
14-okt	21,41	21,52	21,52	21,52	37,16	19,55	19,80	Q1-21	31,88	32,63	32,98	36,00	43,50	28,40	28,50	Q1-21	43,22	40,27	0,00
15-okt	34,95	34,95	32,97	34,43	36,79	19,38	20,81	2021	33,88	35,78	27,63	31,25	38,53	24,00	24,00	2021	43,61	37,49	0,00



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