

## Expectation

Oil



Yesterday was a rather quiet session on the international oil markets. Despite renewed hurricane issues in the Mexican Gulf and signals from OPEC that the member nations are complying with the output cuts, the market failed to rise, and the Brent front month contract closed at 43,16 USD/bbl, down a marginal 0,16 USD/bbl from Wednesday. The market opens with falling prices early Friday, partly because of a strengthening US dollar.

Gas



Following a couple of bearish sessions, the European gas markets edged up again Thursday. The market reacted to cooler weather, lower supply from Norway and concerns about the LNG supply to Europe, with the front month contract on the TTF hub reaching the highest price level of this year.

Coal



We saw falling prices on the European coal markets yesterday. Demand in China is weak, and the country will therefore likely not import as much coal as previously anticipated during Q4. A game changer could be the La Niña weather phenomena, which could cause lower temperatures during the winter in China. This would be bullish for coal, but the market so far does not respond to this with rising prices.

Carbon



The European carbon market edged further down yesterday, with the benchmark contract dropping to its lowest closing price in 4 months as it settled at 24,96 EUR/t. The market faces a strong technical resistance point around here, so the most likely scenario is that the contract rebounds from here. Corona virus concerns remain strong however so the bearish pressure remains noticeable.

Hydro



Early Friday, the Nordic weather outlook is slightly drier and cooler compared to yesterday, although it is still above average in terms of precipitation. The next few days look very dry, but a low pressure will cause wetter conditions from Monday, combined with temperatures that are set to rise throughout the week.

Germany



German power prices continued to fall in Thursday's trading, with a 4-month low on the carbon market as the most important driver. The German Cal-21 contract edged down further as well and closed at 39,67 EUR/MWh, the lowest level since August. We expect the market to move largely sideways today, if indeed the carbon market manages to stabilize around 25 EUR/t.

Equities



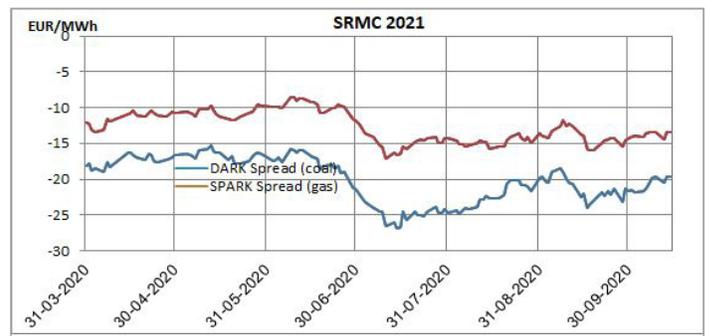
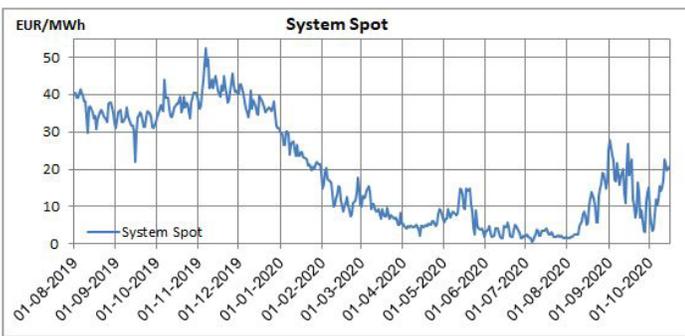
Thursday, the sentiment on the European stock markets was very bearish following the news that the negotiations about a new help deal to the US economy have once again failed. This led to a drop of more than 2 % on the Stoxx600 Index, before the US markets, where the losses had taken place the day before, avoided a similar development. We expect a much calmer session in Europe Friday.

Conclusion



The Nordic power market made a downwards adjustment yesterday in response to the wetter and milder weather forecasts that were received late the previous day. The losses in Germany and on the carbon market added to the downside, as the Q1-21 and YR-21 contracts fell to 27,10 EUR/MWh and 22,95 EUR/MWh respectively. Friday, the first signals point towards an upwards adjustment.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
14-okt	21,41	21,52	21,52	21,52	37,16	19,55	19,80	November	30,65	33,15	28,60	31,85	37,28	21,65	22,35	November	42,85	39,55	62,30
15-okt	34,95	34,95	32,97	34,43	36,79	19,38	20,81	Q1-21	30,48	31,23	31,60	34,90	42,05	27,00	27,10	Q1-21	43,25	41,33	0,00
16-okt	42,41	42,41	31,76	42,34	42,40	25,52	23,24	2021	32,93	34,88	26,65	30,20	37,95	22,95	22,95	2021	43,67	38,08	0,00



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