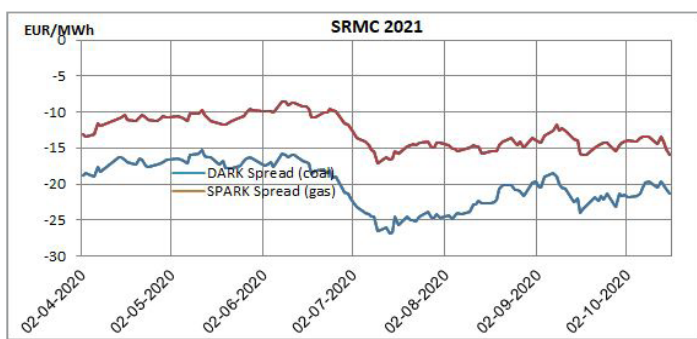
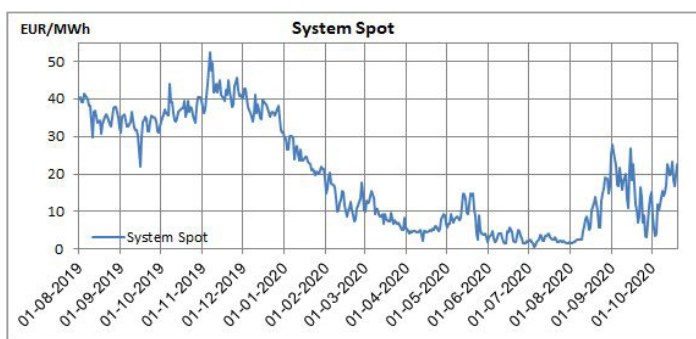


## Expectation

- Oil** ↘ Friday, the international oil markets edged down for a second straight session. This despite new data showing a surprisingly large drop in US inventory levels, news that are usually a bullish signal for the market. However, it appeared as if the growing corona virus concerns, with rising figures in most European countries, weighed heavier on the market, as the Brent front month contract edged down another 0,23 USD/bbl, closing at 42,93 USD/bbl. The market opens with falling prices Monday.
- Gas** → The upturn on the European gas markets continued Friday, both on the short and the long end of the curve. Day-ahead prices on the Dutch TTF hub rallied to a new year-high due to reduced flows from Norway and rising coal prices, and the long end of the curve followed suit, with the front year contract approaching the highest level since March.
- Coal** ↘ European coal prices continued upwards Friday, where the API 2 Cal-21 contract rose another 0,40 USD/t, setting at 54,40 USD/t. Lower temperatures and weaker wind power generation is expected during the coming weeks, and this offers bullish support to a market, where stock levels at the coal terminals have dropped to the lowest level in two years. We could see a downwards adjustment Monday however.
- Carbon** → Increasing corona virus concerns across Europe continue to add bearish pressure to the European carbon market. The benchmark contract edged slightly down again Friday, and the technical support around 25 EUR/t is under pressure right now. It will be the main focus in the coming days to see if the market breaks below the technical resistance or if it rebounds and stabilizes above 25 EUR/t.
- Hydro** ↘ Over the weekend, we have not seen any changes to the wet weather forecasts, that dominate the next couple of weeks in the Nordic area. Precipitation is expected well above average during the next couple of weeks, and the surplus on the hydro balance will likely rise further. The outlook remains bearish for the short end of the Nordic power market.
- Germany** → There were mixed signals on the German power market Friday, where rising fuel prices were offset by losses on the carbon emission market, where prices are currently at a four-month low. The German Cal-21 contract ended up trading more or less sideways, closing at 39,75 EUR/MWh, marginally up from Thursday. We expect a rather neutral start to the week.
- Equities** ↗ We saw a rebound on the European stock markets Friday following the rather big drop in Thursday's session. Apart from the corona virus pandemic, focus on the market is currently centered on the negotiations about a new stimulus package to the US economy. Optimism regarding this causes the markets in Asia to rise Monday morning, and the bullish sentiment could continue in Europe.
- Conclusion** ↘ The losses on the Nordic power market continued Friday, with weather forecasts suggesting significantly wetter conditions from this week and on. The market bearishly to this, with the Q1-21 contract falling another 0,95 EUR/MWh, closing at 26,15 EUR/MWh. The YR-21 contract fell 0,50 EUR/MWh and closed at 22,45 EUR/MWh. Monday, we could see the downturn continue, as the wet weather forecasts have been confirmed over the weekend.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
17-okt	27,37	30,71	19,40	30,71	20,80	19,40	18,28	November	29,79	32,11	28,66	30,66	37,16	20,46	21,16	November	42,96	40,20	62,30
18-okt	20,59	20,59	17,97	20,59	22,39	17,97	16,79	Q1-21	29,53	30,28	30,65	34,15	41,28	26,05	26,15	Q1-21	43,32	41,91	0,00
19-okt	40,65	40,60	37,76	38,88	39,23	25,80	22,56	2021	32,48	34,23	26,28	29,83	37,45	22,45	22,45	2021	43,73	38,45	0,00



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