

Expectation

- Oil** ➔

The international oil market has not made any noticeable fluctuations over the last couple of weeks, and the more or less neutral sentiment continued yesterday. The Brent front month contract fell 0,34 USD/bbl, closing at 42,82 USD/bbl. OPEC's recent summit failed to offer any direction to the market, as the recent production cuts look set to continue, although there is insecurity as to how much the countries live up to the commitments. We expect another day with modest fluctuations Wednesday.
- Gas** ↘

After reaching a year high year level Monday, the European gas markets retreated a bit in yesterday's trading. Both spot and long term contracts edged down a bit as the weather forecasts turned a bit milder, although temperatures are still expected below average in Northern and Western Europe over the coming weeks. Another bearish day seems likely today.
- Coal** ➔

The milder weather forecasts also caused a downturn on the European coal market yesterday, where the API 2 Cal-21 contract fell 0,52 USD/t, closing at 60,01 USD/t. The market has increased lately due to supply concerns as La Niña weather could disturb production in Australia and increase demand in China, but in general, the upside appears limited from here on.
- Carbon** ➔

European carbon prices continued to fall in Tuesday's trading. Increasing corona virus numbers and lockdown initiatives across Europe, combined with rising fears that the UK and the EU will not manage to reach a Brexit deal caused carbon to edge further down. The benchmark contract closed yesterday at 24,41 EUR/t, down 0,57 EUR/t for the day. Today, the bearish pressure on the market will continue, but technical resistance is still strong.
- Hydro** ↘

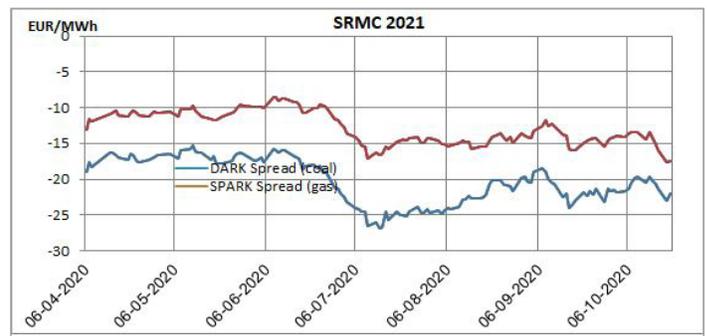
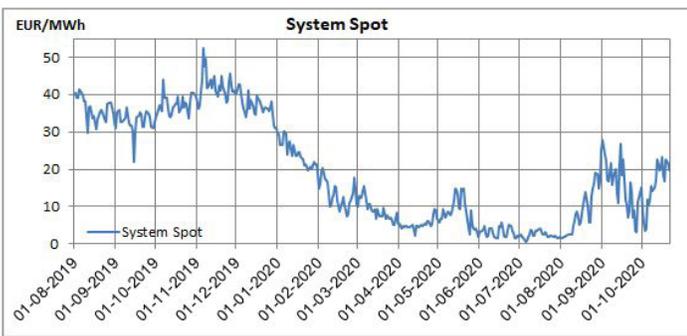
Expected precipitation in the Nordic area during the forthcoming ten days is around twice as much as seasonal average. As such, there are no noticeable changes to yesterday's weather outlook, as the wet and mild conditions are expected to continue as long as the eye goes. The outlook remains a bearish signal for the Nordic power market.
- Germany** ➔

Falling prices across the fuel complex and on the carbon emission market caused the negative sentiment to return to the German power market yesterday. The country's Cal-21 contract fell 0,22 EUR/MWh, to close at a two-month low of 39,41 EUR/MWh. Wednesday, we expect carbon to be decisive once again, and if it sees another bearish day, German power will continue down as well.
- Equities** ↗

Yesterday, the European stock markets edged down in response to the losses on the US markets the previous day. It added to the negative sentiment, that the US government is planning a law suit against Google, and that a deal on economic stimulus to the US economy has still not been agreed on. The first signals today are more positive however.
- Conclusion** ↘

Early yesterday, the Nordic power market traded down, but late in the session, we saw a turnaround and rising prices. The Q1-21 contract ended up rising 0,33 EUR/MWh, closing at 25,13 EUR/MWh, while the YR-21 contract was up 0,15 EUR/MWh, closing at 21,25 EUR/MWh. Wednesday, the weather forecasts continue to cause a bearish sentiment to the short end of the curve. The long end will be more dependent on carbon. Falling prices or a sideways day appear as the most likely scenarios.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
19-okt	40,65	40,60	37,76	38,88	39,23	25,80	22,56	November	30,75	32,70	27,60	28,60	35,73	18,40	19,10	November	42,43	40,60	62,30
20-okt	30,27	30,84	29,75	30,36	55,52	19,55	21,73	Q1-21	28,51	29,26	30,13	33,13	41,38	25,03	25,13	Q1-21	42,94	42,28	0,00
21-okt	29,24	29,63	26,37	29,63	37,20	17,67	19,70	2021	31,78	33,35	25,55	28,78	36,73	21,25	21,25	2021	43,33	38,75	0,00



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