

Expectation

Oil



The rangebound trading on the oil market continued yesterday, where the markets climbed following the downturn during the previous day. Although the market is concerned that new corona virus lockdown measures could halt the global demand recovery, the OPEC output curbs continue to keep a hand under prices. The Brent front month contract closed Thursday at 42,46 USD/bbl, up 0,81 USD/bbl for the day, and we expect the market to remain around this price level Friday as well.

Gas



Once again, front-month contracts on the European gas markets reached year-high levels yesterday, while the spot contracts climbed as well. Concerns about new outages in the Norwegian production and a recent decrease in LNG import offered bullish support to the market. High storage levels does however limit the upside, as the European storage facilities are currently 95 % filled.

Coal



European coal prices climbed in Thursday's trading, on what was in general a bullish day across the markets. The disruptions to Colombian production due to strikes are still a major topic on the market, and the rising gas prices have made coal a bit more attractive for power production lately. The API 2 Cal-21 contract rose 0,62 USD/t, settling at 59,63 USD/t.

Carbon



Yesterday, the European carbon market rebounded from the four-month low reached during the previous session, as the benchmark contract climbed 0,62 EUR/t, settling at 24,18 EUR/t. The market is still focused on the corona virus and on the EU-UK trade negotiations, which will likely remain the main topics over the coming weeks. We expect the market to remain above 24 EUR/t today.

Hydro



Ahead of the weekend, yesterday's drier and cooler weather forecasts are confirmed, although the 10-day outlook is still both wetter and milder than seasonal average. The hydro balance surplus is expected to narrow a bit due to the change in forecasts, but is still expected at 13 TWh in two week's time. The outlook is neither obviously bullish or bearish for the Nordic power market.

Germany



With rising prices across the fuel markets and on the carbon emission market, the German power market was set for a bullish session as well yesterday. Concerns are however once again rising about the country's economy as corona virus figures are resurging. Friday, we could see a calmer session with more or less sideways trading.

Equities



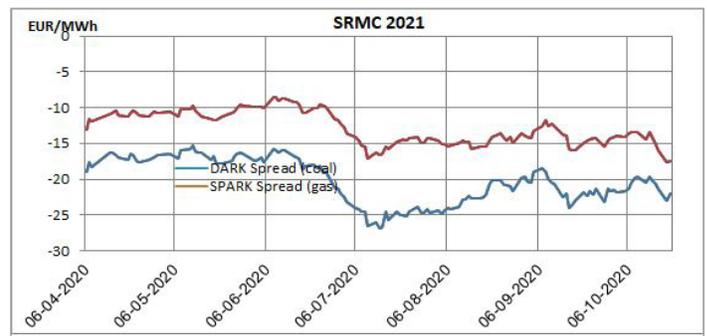
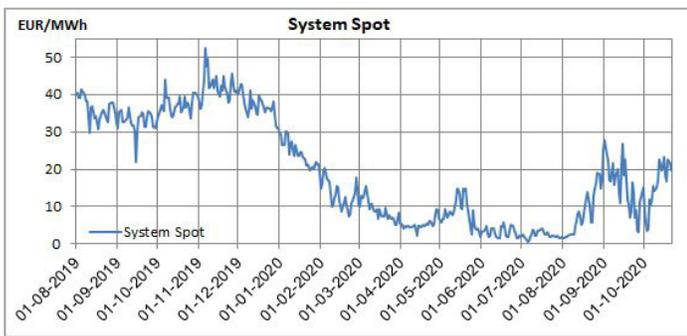
Following a negative start to the day, the European stock markets turned positive during Thursday. Corona virus concerns and the continuous delay of a new stimulus package to the US economy does however continue to limit the upside on the market. Early Friday, the first signals from Asia are slightly positive as well.

Conclusion



Noticeably drier weather forecasts, combined with rising prices across the fuel markets and on the carbon emission market led to a bullish day on the Nordic power market Thursday. The Q1-21 contract rose 0,90 EUR/MWh and closed at 25,10 EUR/MWh, while the YR-21 contract was up 0,59 EUR/MWh, settling at 21,24 EUR/MWh. Today, the signals are not as strong and a more or less neutral session seems likely.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
21-okt	29,24	29,63	26,37	29,63	37,20	17,67	19,70	November	31,05	32,60	27,13	29,00	35,70	18,30	19,00	November	42,06	41,69	62,30
22-okt	14,54	14,54	15,17	15,17	37,37	14,20	14,54	Q1-21	28,48	29,23	30,35	33,60	41,20	25,00	25,10	Q1-21	42,62	42,84	0,00
23-okt	34,98	35,03	32,93	35,03	36,13	19,74	19,16	2021	31,77	33,34	25,54	29,02	36,72	21,24	21,24	2021	43,03	39,12	0,00



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