

## Expectation

Oil



Last week ended with a downwards adjustment on the international oil markets. The Brent front month contract fell 0,69 USD/bbl, closing at 41,77 USD/bbl. The market remains rangebound above 40 USD/bbl despite the increasing corona virus concerns across especially Europe, but this could change if increase lockdown measures are imposed or if OPEC and their allies fail to continue their alliance on production cuts in the coming time. Monday, the market opens with further losses.

Gas



The bullish sentiment on the European gas markets continued Friday. Lower production in Norway and concerns that LNG supply will be limited during the winter are the main concerns, with prices in Asia so high that LNG tankers could be shipped there instead of to Europe during the coming months. The rising carbon market added to the upside.

Coal



There were further gains on the European coal markets as well yesterday, as the bullish sentiment on the related gas and carbon markets, as well as fears of tightening supply during the coming months caused prices to rise. Increasing corona virus concerns across Europe does however limit the upside, and we expect either a neutral or a bearish day Monday.

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 falling prices in Monday's trading.

Hydro



Over the weekend, we have received some changes to the weather forecasts for the Nordic area, and the 10-day outlook is once again significantly wetter and milder than seasonal average. Low pressures will dominate throughout the next couple of weeks, and we expect the forecasts to be bearish for the Nordic power market early Monday.

Germany



Unsurprisingly, the huge price jump on the European carbon market led to a bullish day on the German power market Friday, with the gains on the coal and gas markets supporting the sentiment. The country's Cal-21 contract climbed to 39,85 EUR/MWh, 1,11 EUR/MWh above the previous close. Monday, we could see the market return to the bearish sentiment.

Equities



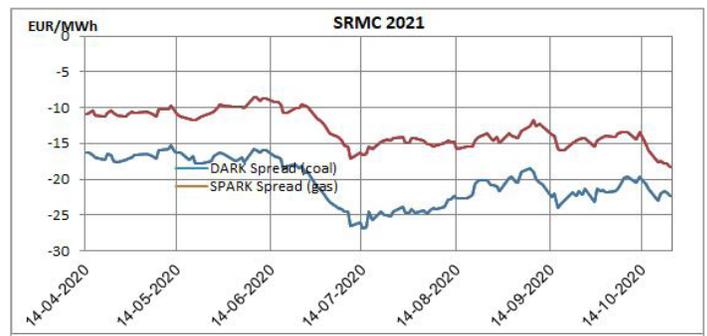
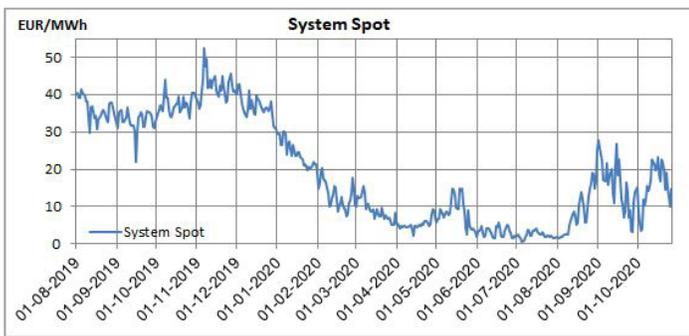
On the last trading day of the week, focus on the stock markets was on some positive key figures from the financial sectors, where we saw some strong financial statements during the day. Virus concerns and a continuous deadlock in the US stimulus negotiations limited the upside however, but the European markets still closed with gains. Early Monday, the first signals from Asia are bearish as the hopes of a US stimulus deal ahead of the election are fading.

Conclusion



Friday, the big price jump on the carbon market and the German power market affected the Nordic power market as well. It supported the upside, that the weather forecasts suggesting cooler and although there were no noticeable changes to the weather outlook, prices still edged up. The Q1-21 and YR-21 contracts both rose around 0,40 EUR/MWh, settling at 25,55 EUR/MWh and 21,70 EUR/MWh respectively. We expect the change in weather forecasts to cause a bearish sentiment on especially the short end of the curve today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
24-okt	17,57	17,57	17,57	17,57	17,65	14,58	14,79	November	31,05	32,60	27,13	29,00	35,70	18,30	19,00	November	42,06	41,69	62,30
25-okt	10,28	14,18	10,28	13,63	13,92	10,28	9,73	Q1-21	28,48	29,23	30,35	33,60	41,20	25,00	25,10	Q1-21	42,62	42,84	0,00
26-okt	27,49	28,24	20,37	27,66	21,36	14,30	14,83	2021	31,77	33,34	25,54	29,02	36,72	21,24	21,24	2021	43,03	39,12	0,00



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.