

Expectation

Oil



On the international oil market, the long-lasting uptrend was at least temporarily broken yesterday, where the Brent front month contract edged down for the first time this year, closing at 55,66 USD/bbl, 0,33 USD/bbl below the previous close. The market now appears to have adjusted to the new OPEC production deal and focus still is on the corona virus lockdowns across the world, and the vaccine programs, giving hope about an increase in demand later this year.

Gas



Prices continued to rise on the European gas markets yesterday. Demand has increased during the cold spell across Europe recently, and meanwhile, LNG supply has shrunk drastically as high prices in Asia mean that the gas is sent there instead of to Europe. We expect the market to continue upwards today.

Coal



Following the huge price jump Friday, the European coal markets opened this week with a downwards adjustment. The API 2 Cal-21 contract fell 0,21 USD/t, closing at 69,90 USD/t. The market fell despite the cold weather forecasts, as the losses on the related carbon market might have overshadowed the bullish weather situation.

Carbon



The European carbon market retreated in Monday's trading after reaching an all-time high Friday. With the market now around 35 EUR/t following a sharp uptrend over the last month, the technical signals on the market have turned negative, and buying interest appears to have weakened a bit. The benchmark contract closed at 34,53 EUR/t, 0,39 EUR/t below the previous close and we do not expect a rebound Tuesday.

Hydro



Early Tuesday, the forecasts suggest slightly drier weather in the Nordic area during the coming ten days than what was forecasted yesterday. The 10-day outlook suggests 3,3 TWh precipitation, around 75 % of seasonal normal. Meanwhile, temperatures are set to remain below normal and this should be a bullish signal for the Nordic power market today.

Germany



Yesterday, the German power market received some mixed signals, with further gains on the gas markets offering bullish support while the coal and carbon markets traded down. At the end of the day, the country's Cal-21 contract ended up falling 0,53 EUR/MWh, closing at 50,40 EUR/MWh, but the market opens with a rebound today.

Equities



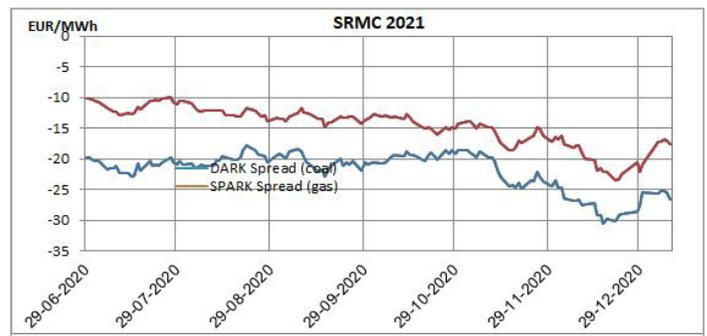
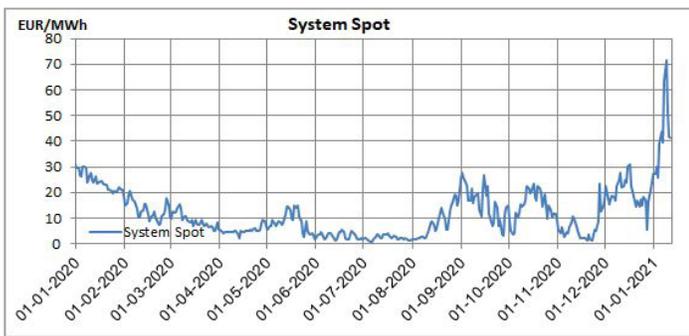
This week opened with a bearish sentiment on the international stock markets, where the risk-off mode appeared to have taken over following some weeks with gains. Focus is currently on the corona virus lockdowns across the world and on the political situation in the US with only 8 days to go until the power change. The first signals Tuesday morning are neutral or slightly bullish.

Conclusion



Nordic power prices edged down on the first trading day of the week. The short end of the curve managed to avoid any noticeable losses, as the Q2-21 contract fell only 0,05 EUR/MWh to 27,80 EUR/MWh. The long end of the curve fell along with the German power market, as the YR-22 contract settled at 27,50 EUR/MWh, 0,70 EUR/MWh below the previous close. Today, the market looks set for a bullish session due to drier and cooler weather forecasts and gains in Germany.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
10-jan	43,36	43,36	42,02	42,94	42,02	42,02	41,64	February	49,25	51,50	48,00	50,00	50,00	42,50	42,00	February	53,89	62,16	62,30
11-jan	41,77	42,28	41,56	42,11	42,87	41,60	41,40	Q2-21	43,20	43,80	33,30	39,30	42,50	28,05	27,80	Q2-21	53,85	47,65	0,00
12-jan	43,87	45,37	43,82	45,30	43,82	44,83	37,71	2021	39,25	42,75	30,35	35,30	38,25	29,00	27,50	2022	54,59	46,39	0,00



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