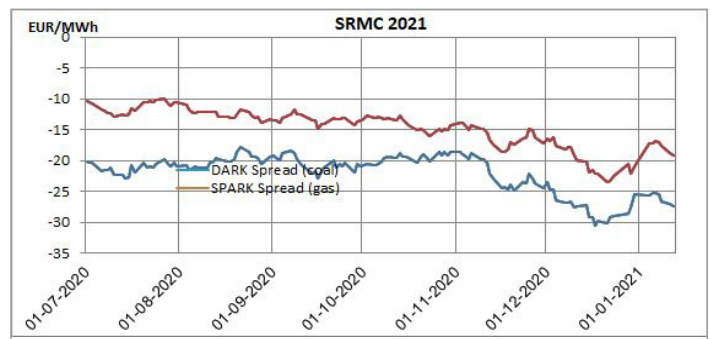
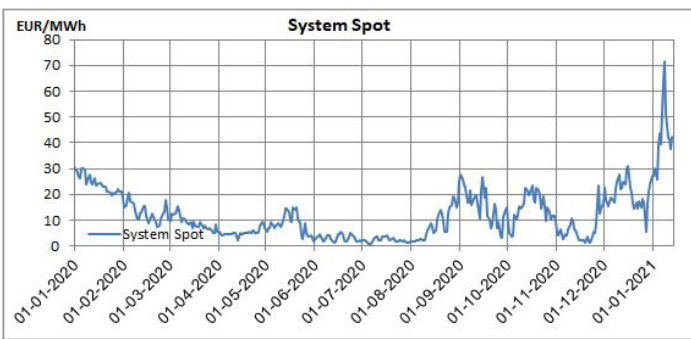


Expectation

- Oil** The bullish sentiment on the crude oil market continued yesterday. Over the course of just around two months, the Brent front month contract has now climbed around 20 USD/bbl, equaling around 40 %, in a steady uptrend which was started by the news that a corona virus vaccine was on the way. Yesterday, the contract closed at 56,58 USD/bbl, the highest level since February last year and the gains continue early Wednesday.
- Gas** European gas prices jumped to a new two-year high once again yesterday, continuing the rally which has been going on since the current cold spell across Europe started. China faces a hard winter as well right now, causing an increase in LNG demand, something which influences the development in Europe as well. We could see a downwards correction today.
- Coal** Cold weather in both Europe and China is also the main price driver for European coal right now. Demand is relatively high in both areas, and it adds to the upside that China continues to avoid Australian coal. The API 2 Cal-22 contract closed at a year high of 74,06 USD/t yesterday, up 2,31 USD/t from Monday.
- Carbon** It appears as if 35 EUR/t is now the new technical threshold on the European carbon market. After rallying from 30 to 35 EUR/t in a matter of just a few weeks, the uptrend has now been halted with the benchmark contract on the market just around 35 EUR/t, closing yesterday's session at 34,66 EUR/t. We expect the market to continue around this level today as well.
- Hydro** Since yesterday, we have received some slightly milder weather forecasts for next week, where temperatures are set to rise to around seasonal normal. Apart from that, the 10-day forecast remains cool and dry, but the slightly milder outlook should be a bearish influence on the Nordic power market today.
- Germany** A continuous bullish sentiment on the fuel markets helped lift the German power market even higher yesterday. Temperatures in the country are still well below average, strengthening demand, and the country's Cal-22 contract closed at 51,56 EUR/MWh yesterday, up 1,16 EUR/MWh from Tuesday. We expect falling prices today as carbon continues to drift sideways while coal and gas look bearish.
- Equities** Tuesday was a largely neutral day on the financial markets, where focus has once again moved to US interest rates, now that there does not seem to be any more obstacles ahead of next week's presidential change in the country. The rising oil market offers some bullish support to the markets, but the first signals early Wednesday are rather neutral as well.
- Conclusion** The bullish sentiment returned to the Nordic power market yesterday, as the 10-day weather outlook once again shows below-average temperatures and precipitation. The rising prices on the fuel markets and on the German power market added to the upside, with the Q2-21 and YR-22 contracts closing at 30,50 EUR/MWh and 27,95 EUR/MWh respectively. Wednesday, we could see the market change direction as the German market appears to retreat while the weather forecasts look slightly wetter and milder.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
11-jan	41,77	42,28	41,56	42,11	42,87	41,60	41,40	February	53,43	55,43	50,05	53,05	52,10	47,05	46,55	February	55,21	70,62	62,30
12-jan	43,87	45,37	43,82	45,30	43,82	44,83	37,71	Q2-21	45,88	46,75	35,75	38,00	43,90	30,75	30,50	Q2-21	54,98	49,17	0,00
13-jan	42,10	42,10	42,10	42,10	51,08	42,10	42,29	2021	40,45	44,33	30,45	35,80	38,45	29,45	27,95	2022	55,31	47,11	0,00



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