

Expectation

Oil



Last week ended with falling prices on the international oil markets. After reaching the highest price level in more than a month Thursday, prices fell Friday, with focus still on India. A huge surge in corona virus figures have led to some concerns about a prolonged demand slump on the oil market, with India one of the largest consumers in the world. The Brent front month contract closed at 66,76 USD/bbl, but opens with falling prices Monday.

Gas



With European gas prices already at multi-year highs, the rally continued Friday. All factors support the uptrend right now, as cold spring weather across Europe, supply concerns regarding Russia due to the relationship with Ukraine, and a surging carbon market all support the uptrend. On the Dutch TTF gas hub, day-ahead prices reached the highest level since January, while the front-year contract has not traded higher in more than two years.

Coal



The strong European gas markets continue to offer bullish support to coal as well. As gas prices surge, coal becomes increasingly interesting for power production. The upside is strengthened by supply disruptions in South Africa, strong demand in China and the ongoing cold spring weather across the continent. The market will likely continue to follow gas and carbon this week.

Carbon



On the European carbon market, the week ended with yet another bullish session. The benchmark contract climbed to 48,84 EUR/t, up 0,82 EUR/t for the day. Now, the compliance buying season has come to an end, and the question now is if the market will retreat a bit as a result, or if the rally will just continue towards 50 EUR/t. We consider rising prices as the most likely scenario.

Hydro



Early Monday, the weather forecasts show the same main conclusions as they did ahead of the weekend, with cold and wet conditions expected as a low pressure will dominate throughout this week. Next week, we will likely see both precipitation amounts and temperatures normalizing, when a high pressure starts dominating. The two-week outlook is still significantly colder than seasonal average, and this will likely be interpreted bullishly by the Nordic power market today.

Germany



There was nothing to halt the uptrend on the German power market Friday, where surging gas, coal and carbon prices as well as continuously cold weather forecasts continued to drive prices upwards. The country's Cal-22 contract broke above 60 EUR/MWh for the first time ever, settling at 60,12 EUR/MWh. Monday, we could see the uptrend continue as carbon continues upwards.

Equities



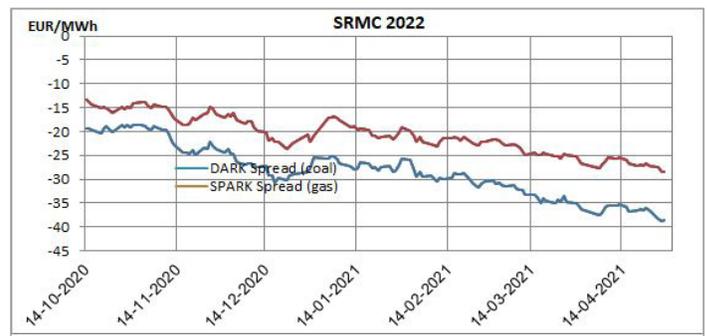
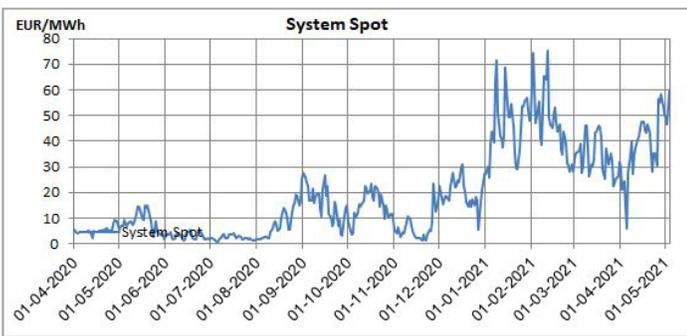
The European stock markets climbed in Thursday's trading due to the dovish signals from the interest meeting in the US Fed the day before. Friday, the markets retreated a bit on fears about rising interest rates, closing slightly below the all-time high from earlier in the week. Early Monday, there are not a lot of signals from Asia, where both the Japanese and the Chinese markets are closed.

Conclusion



Friday, the Nordic power market returned to the bullish sentiment following a couple of days without gains. Cold weather forecasts and high spot prices, as well as high fuel, carbon and German power prices helped the market climb. The Q3-21 and YR-22 contract rose to 29,90 EUR/MWh and 29,00 EUR/MWh respectively. Monday, a surging system price, bullish carbon and German power as well as cold weather forecasts cause prices to go even higher.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
01-maj	56,69	56,37	46,56	52,18	46,56	51,04	49,91	June	56,20	58,25	35,50	50,00	45,50	35,00	30,00	June	66,16	59,81	62,30
02-maj	46,94	48,43	45,65	47,05	45,65	46,61	46,31	Q3-21	60,90	62,25	32,78	49,90	49,40	33,90	29,90	Q3-21	66,17	58,77	0,00
03-maj	62,43	61,25	60,72	60,72	60,72	60,36	59,90	2022	47,20	49,70	32,85	45,00	36,60	35,15	29,00	2022	66,29	56,13	0,00



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