

Expectation

Oil



On the crude oil market, the recovery continued yesterday, and the Brent front month contract has now won back most of the losses from Monday, where the market plummeted on the news that OPEC will increase production. The market appears to have come to terms with this, as expectations of a demand recovery is still very high, due to the optimism about the corona virus vaccine program. Early Friday, we see a downwards adjustment.

Gas



Yesterday, the bullish sentiment continued on the gas markets. This despite the news, that the US have agreed not to pursue sanctions on the Nord Stream 2 project, which is set to be completed next month. This should actually be a bearish signal for the market, but the high demand and the supply issues overshadowed this, and helped prices climb higher instead.

Coal



The sentiment on the European coal markets was bearish yesterday, where the API 2 Cal-22 contract retreated from the all-time highs of the previous session, falling to 92,94 EUR/MWh. The market remains focused on Asia, where high demand keeps a hand under the market in Europe as well. Today, we expect the market to stabilize around the current levels.

Carbon



After a bullish run Wednesday, the European carbon market changed direction once again yesterday, where the benchmark contract edged down 1,35 EUR/t and closed at 50,79 EUR/t. There were no particular signals that justified the losses, that might merely have been the result of profit-taking among speculative traders. Today, the market should stabilize above 50 EUR/t.

Hydro



Ahead of the weekend, there are no big changes to the Nordic weather forecasts. The outlook still suggests precipitation slightly below average, as a wet period early next week will likely be replaced by drier conditions at the end of the 10-day period. The outlook should not cause any fluctuations on the Nordic power market today.

Germany



With rather big losses on both the coal and carbon market, the German power market was up for a bearish session as well Thursday. The country's Cal-22 contract retreated 1,00 EUR/MWh and settled at 69,82 EUR/MWh. Trading activity remains subdued due to summer vacation. Friday, we expect a session with more limited fluctuations as the coal and carbon markets trade sideways.

Equities



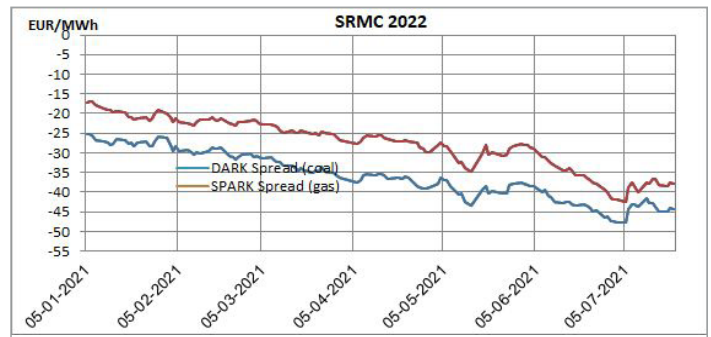
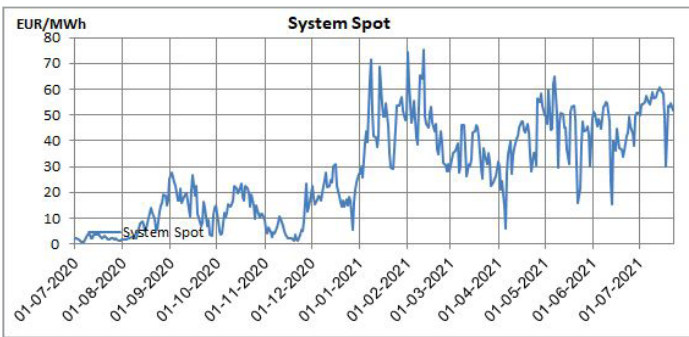
The sentiment on the financial markets was negative earlier this month, but has turned bullish again over this week. Yesterday, we saw further gains both in Europe and in the US. Friday morning, the first signals from Asia are not quite as positive and a bearish session seems likely in Europe as well ahead of the weekend.

Conclusion



Thursday, the Nordic power market retreated on the back of wetter and windier weather forecasts that arrived during the day. Bearish signals from the coal and carbon markets as well as the German power market added to the downside. The Q4-21 and YR-22 contracts fell to 47,65 EUR/MWh and 32,45 EUR/MWh respectively. Ahead of the weekend, we could see some positioning as many traders go on summer vacation, but an unchanged weather outlook and a neutral German power market points towards limited fluctuations here as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
21-jul	89,11	89,99	55,72	56,02	69,12	59,02	54,73	August	78,95	80,50	58,95	74,45	67,70	55,65	49,70	August	87,65	87,93	62,30
22-jul	87,39	87,56	53,13	53,13	58,52	58,32	51,66	Q4-21	77,70	82,25	51,00	71,50	58,50	54,15	47,50	Q4-21	83,86	91,92	0,00
23-jul	88,80	88,80	56,25	56,25	77,68	58,88	57,33	2022	60,43	62,05	35,35	53,85	42,35	39,00	32,10	2022	75,44	70,18	0,00



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