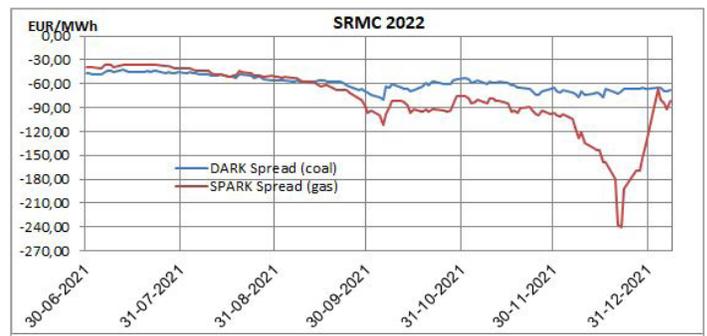
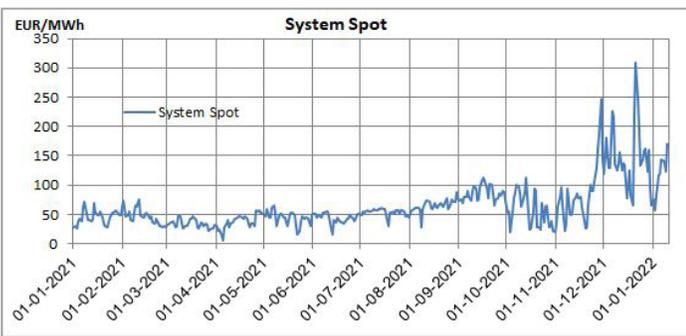


Morning Report January 10 2022

Expectation

- Oil**  An otherwise bullish week on the international oil markets ended with a minor downwards adjustment Friday, where the Brent front month contract closed at 81,75 USD/bbl, a marginal 0,24 USD/bbl below the previous close. The supply issues surrounding Libya and Kazakhstan remain bullish to the market, but Friday, this was overshadowed by a disappointing US job report, which affected oil as well. The market opens sideways early Monday.
- Gas**  On the European gas market, the week closed with falling prices Friday. The market remains very focused on the weather, and the most recent forecasts suggest mild weather throughout January in Northern and Western Europe, something which curbs demand a bit. This is of course very bearish for a gas market which faces severe supply issues due to low flows from Russia.
- Coal**  After rising rather sharply during the week, the European coal market also corrected down Friday. Even though demand has been relatively high compared to a seasonal normal lately, the milder weather outlook and falling gas prices led to a downturn for coal as well Friday. The API 2 Cal-23 contract fell to 96,70 USD/t and opens sideways Monday.
- Carbon**  European carbon prices also fell along with fuels Friday, responding to some milder weather forecasts for Northern and Western Europe. The benchmark contract settled at 85,42 EUR/t, down 1,32 EUR/t against the previous close. Trading activity is expected low until auctions pick up again later this month, and the market opens bullishly in the thin trading Monday.
- Hydro**  Over the weekend, the Nordic weather forecasts have not change noticeably. Following a short mild and wet period this week, both temperatures and precipitation is set to fall to just around seasonal average, and remain there likely through most of next week. The outlook is likely bearish for the market since the hydro balance deficit continues to fall in average weather conditions.
- Germany**  Falling prices across the fuel and carbon markets, and mild weather forecasts for the coming weeks in Germany, led to a bearish session on the country's power market Friday. The 2023 contract fell almost 10 EUR/MWh and closed the session at 126,98 EUR/t. This week could open with a neutral or slightly bearish session, as the signals from the fuel and carbon markets are somewhat mixed.
- Equities**  Friday, all eyes on the financial markets were at the US job report, which came out weaker than expected and led to a bearish sentiment. The European markets had decreased as well earlier in the day on fears of higher inflation and a tighter financial policy from the central banks. The first signals Monday morning are cautiously bullish.
- Conclusion**  The Nordic power market opened Friday bullishly but changed direction during the day. The rather sharp losses on the German power market and the bearish fuels and carbon markets ended up causing a day of falling prices on the Nordic market as well, with the Q2-22 and 2023 contracts settling at 43,80 EUR/MWh and 38,05 EUR/MWh respectively. Monday, we see some mixed signals but falling prices should once again be the most likely scenario since the hydrological situation in the Nordic area continues to improve.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
08-jan	145,77	145,87	145,87	145,87	159,96	145,40	136,53	February	186,00	189,00	148,50	180,00	148,50	133,25	90,00
09-jan	131,53	131,53	131,53	131,53	145,82	142,52	123,47	Q2-22	178,75	176,13	55,30	153,80	57,55	61,55	43,80
10-jan	244,50	246,73	246,73	246,73	248,71	193,68	170,15	2023	86,55	88,55	42,63	84,05	44,90	52,05	38,05



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