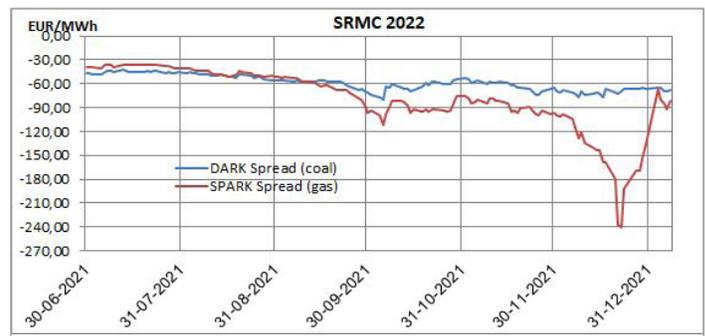
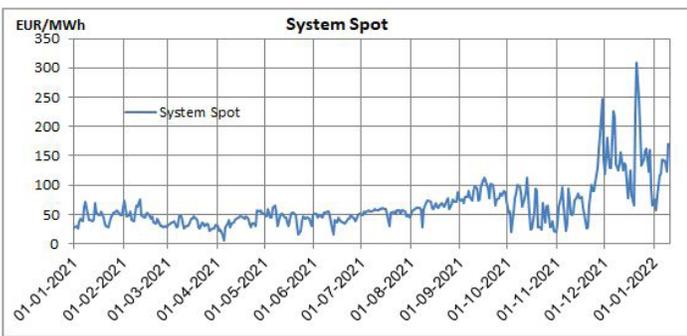


## Expectation

- Oil** ➔ Monday, the week opened bearishly on the crude oil market. Friday's disappointing US job report has led to some uncertainty about the global oil demand during the coming time, as several countries face tightening corona virus lockdowns these weeks. The Brent front month contract ended up falling 0,87 USD/bbl and closed at 80,87 USD/bbl. Early Tuesday, the market opens with modestly rising prices due to
- Gas** ↘ Low supply from Russia continues to cause a nervous sentiment on the European gas market this week, with no solution to the issues surrounding Nord Stream 2 and Ukraine in sight any time soon. Milder weather and an increase in LNG deliveries from other continents did however curb the upside on the market significantly, and we could see prompt and short-term contracts fall further in Tuesday's session.
- Coal** ↘ Yesterday, the European coal market edged down as well due to the mild weather and expected mild end to January in large parts of Europe. The API 2 Cal-23 contract fell to 94,77 USD/t, well below the high levels from late last year, but the market could suddenly skyrocket again if the weather forecasts change or new issues strike the closely linked gas market.
- Carbon** ➔ Supply picked up on the European carbon markets yesterday, where the first auction of the year took place. The auction showed rather slow demand, causing prices to fall, as the benchmark contract fell to 80,49 EUR/t. The falling prices on the fuel markets added to the bearish sentiment, and we expect a volatile session today as well, where the market opens somewhat bullishly.
- Hydro** ↘ During the next couple of days, temperatures are set to rise to far above seasonal normal in the Nordic area. The warm period will be short however, as the level is set to fall back to around average from early next week. Precipitation and wind power generation is expected to remain above normal. Today's outlook once again appears rather bearish for the market since it confirms that the cold winter is not returning.
- Germany** ↘ German power prices fell in Monday's trading along with the coal, gas and carbon markets. Temperatures in the country are expected a couple of degrees above normal during this week, another bearish signal for the market, where the 2023 contract fell 3,73 EUR/MWh and settled at 123,25 EUR/MWh. Tuesday, further losses seem likely as the weather forecasts remain mild while gas prices continue to fall as well.
- Equities** ➔ On the financial markets, the week opened bearishly, as the market fears tighter monetary policies from the central banks. The European Stoxx600 Index fell 1,5 % and the US markets edged down as well later in the day on hawkish signals from the Fed, who are expected to increase interest rates soon. The first signals Tuesday point towards a stabilizing European market.
- Conclusion** ↘ The steady downturn on the short end of the Nordic power market continued Monday, as the weather forecasts confirmed that no cold winter is on the way anytime soon. As a result, the hydro balance continues to improve. The Nordic Q2-22 contract fell another 2,70 EUR/MWh to 41,10 EUR/MWh as a result, while the 2023 contract was down a marginal 0,05 EUR/MWh, settling at 38,00 EUR/MWh. We expect the downtrend to continue today, as the forecasts confirm the mild outlook while fuels and German power fall further.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
09-jan	131,53	131,53	131,53	131,53	145,82	142,52	123,47	February	173,50	178,25	141,00	165,00	141,00	128,00	85,00
10-jan	244,50	246,73	246,73	246,73	248,71	193,68	170,15	Q2-22	171,10	173,83	52,60	148,10	54,85	60,60	41,10
11-jan	155,98	224,34	162,86	224,34	162,77	151,46	133,63	2023	84,00	86,00	42,58	84,00	45,00	52,00	38,00



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