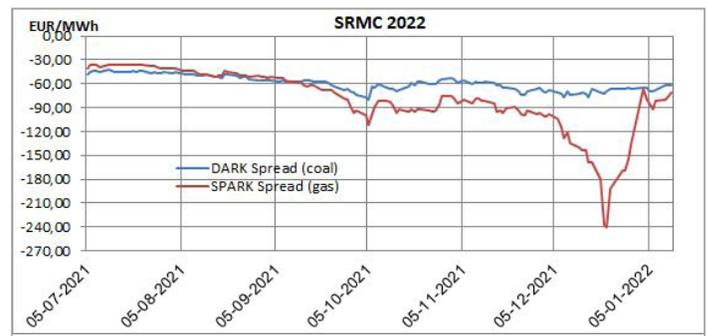
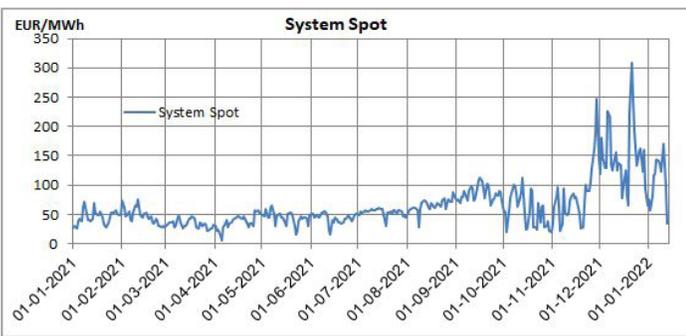


Expectation

- Oil** ➔ Prices continued to rise on the international oil market yesterday, where the Brent front month contract extended the already two-month highs from the previous day. It settled at 84,67 USD/bbl, the highest level since early November. The gains were attributed to another decline in US inventory levels and to a weakening US dollar compared to other leading currencies. The market opens with
- Gas** ⬇ Despite some cooler weather forecasts for parts of Europe, gas prices continued to fall in Wednesday's trading. Temperatures are expected somewhat below average during the coming week in Northern and Western Europe, but the improving supply picture, with high LNG import from other continents, weighed heavier and caused another day of falling prices. The first signals today indicate that the losses could continue, as the market seems very relieved by the LNG arrivals.
- Coal** ➔ On the European coal market, we saw a rare day where prices moved in a different direction than gas yesterday. The API 2 Cal-23 contract climbed 1,08 USD/t and closed at 93,08 USD/t, likely due to colder weather forecasts for the continent, where below-average winter temperatures will increase coal demand over the coming weeks.
- Carbon** ⬇ Trading remains rather weak on the European carbon market, following the first auctions of the year earlier this week. Yesterday, the market edged down due to bearish support from gas and technical signals. The benchmark contract closed at 80,01 EUR/t, down 1,29 EUR/t from Tuesday. We could see the bearish sentiment continue today.
- Hydro** ⬇ Temperatures in the Nordic area are expected a couple of degrees above average during the next 10 days, with precipitation amounts and wind also set to remain higher than normal. We have seen a lot of precipitation over Norway the last days, and this helps the hydro balance improve, although it remains in a deficit of around 8 TWh.
- Germany** ⬇ With falling gas and carbon prices, the German power market was set for a downturn as well yesterday. The country's 2023 contract closed at 116,39 EUR/MWh. The country faces mild weather for the coming days, before temperatures are set to decline from early next week. Thursday, we expect the downtrend to continue on improving gas supplies, bearish carbon and a somewhat milder weather outlook.
- Equities** ⬇ Wednesday, the European stock markets continued the bullish sentiment from the US the previous days, with optimism surrounding corona virus and hopes that the US Fed might delay increasing the country's interest rates. The Stoxx600 Index rose by 0,7 %, but later in the day, the US markets edged down. We also see a bearish opening in Asia Thursday.
- Conclusion** ⬇ Yesterday, the Nordic power market continued the more or less sideways trend which has characterized most of this week. Following the massive fluctuations in December, the daily gains and losses have been much smaller recently. The Q2-22 and 2023 contracts closed Wednesday at 42,05 EUR/MWh and 38,25 EUR/MWh respectively following a day with mixed signals. Today, we could return to the bearish sentiment on at least the short end of the curve, as German power falls while the weather forecasts remain wetter and milder than normal.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
11-jan	155,98	224,34	162,86	224,34	162,77	151,46	133,63	February	156,90	160,90	136,40	150,90	137,40	133,90	90,90
12-jan	129,61	151,20	86,38	151,20	80,01	138,55	96,65	Q2-22	154,05	157,05	54,05	146,05	55,08	61,55	42,05
13-jan	18,54	18,54	18,54	18,54	18,76	127,34	33,92	2023	80,78	82,75	42,65	80,50	45,20	53,00	38,25



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