

Expectation

Oil



Following the rather sharp gains during the previous sessions, which had sent oil prices to the highest level in more than two months, we saw a downwards correction yesterday. The losses were likely the result of profit-taking among speculative buyers. The downside was limited by the bullish signals that continue to influence the market, such as falling US inventory levels and optimism surrounding the corona virus. The market opens largely sideways today.

Gas



The European gas markets adjusted down further early Thursday, before rising later in the day. The European supply picture has improved due to higher LNG import from other continents, but the risk of a potential new war in Ukraine and the effects this could have on the gas market continues to cause a lot of uncertainty, with storage levels still well below average. Friday, the market is set to rise following news from France that the country is revising down its nuclear production estimate for the year.

Coal



European coal prices climbed further yesterday, despite the bearish sentiment on the gas market. Coal faces some supply issues and high prompt demand due to the soaring gas prices earlier this winter. The API 2 Cal-23 contract ended up climbing by 5,92 USD/t, settling at 99,00 USD/t. The contract will likely continue upwards today.

Carbon



On the European carbon market, prices fell early in Thursday's trading before rebounding ahead of the close. The market has traded rangebound between 80 and 85 EUR/t recently. Another quota auction came out rather weak, but the market still managed to win back the initial losses and closed at 80,56 EUR/t. Today, the market is set to increase. The reduced French nuclear output is bullish for gas and coal and will also affect the carbon market.

Hydro



Ahead of the weekend, we see another confirmation of the somewhat average Nordic weather forecasts. Apart from a couple of days, temperatures and precipitation amounts are expected marginally above average during the next ten days. The outlook has already been largely priced in and should be neutral for the Nordic power market Friday.

Germany



The signals on the German power market were a bit mixed yesterday, where gas and carbon prices edged down during the day, while coal saw another increase. The country's Cal-23 contract ended up closing more or less neutral for the day, settling at 115,75 EUR/MWh. On the last trading day of the week, the market will most likely rise however, as a result of the climbing fuel and carbon prices caused by reduced French nuclear availability.

Equities



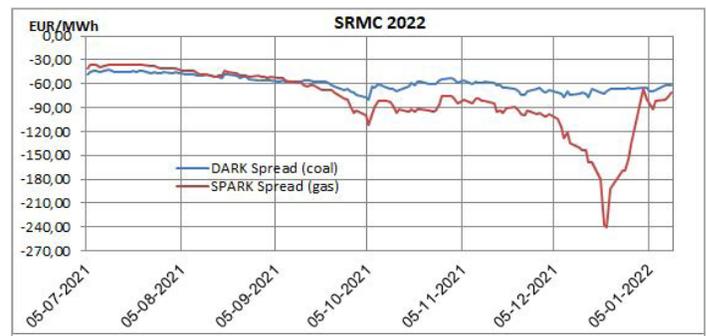
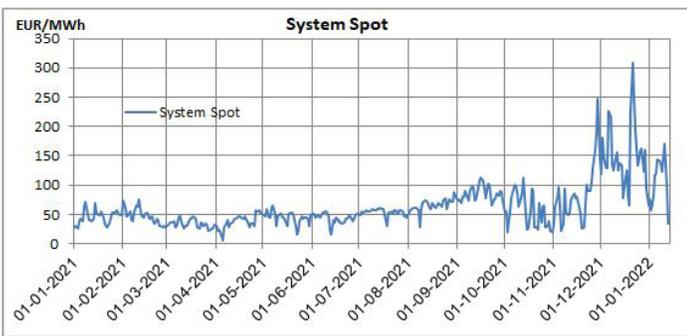
Thursday, we saw a rather quiet day on the European stock markets, where the Stoxx600 Index settled slightly down. The US markets continued the bearish sentiment from the previous day, as hawkish signals from the US Fed increased fears of higher interest rates. The Asian and European markets appear to open Friday bearishly as well.

Conclusion



Nordic power prices were once again only modestly changed in Thursday's trading. The market has not seen any big fluctuations this week, and since the weather forecasts remained rather unchanged, while the German power market also moved sideways, this continued yesterday. The Q2-22 and 2023 contract settled at 43,25 EUR/MWh and 37,65 EUR/MWh respectively. Ahead of the weekend, we expect rising prices as fuels, carbon and German power climbs due to the news about reduced nuclear power production in France.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
12-jan	129,61	151,20	86,38	151,20	80,01	138,55	96,65	February	146,67	148,67	128,17	146,66	130,17	133,67	90,67
13-jan	18,54	18,54	18,54	18,54	18,76	127,34	33,92	Q2-22	147,65	149,75	54,00	138,25	56,25	67,25	43,25
14-jan	87,98	75,65	55,21	55,21	60,49	129,76	59,95	2023	76,03	77,15	41,65	79,90	44,60	53,65	37,65



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.