

Expectation

- Oil** ➔

Oil prices fell yesterday where the Brent settled 1,5% down at 90,62 USD/bbl. All focus seems to be on monetary policy. Simultaneously the dollar is also on the rise adding to the weight on oil prices by making it harder for importers to pay for petroleum while analysts are forecasting a buildup in American crude stockpiles for the third straight week. Lockdowns are easing in bigger cities in China where concerns over the slowing economic growth lingers on giving a mixed picture of which direction oil prices are heading.
- Gas** ↗

The bearish price development in European gas markets was halted yesterday as contracts were steadily ticking higher. Currently low temperatures while at the same time wind power generation is on sub-normal levels are considered driving factors. The Dutch TTF front month contract set its day high of 199,50 EUR/MWh at the very end of the session, likely reacting to the rumours that Russian Putin is going to publicly address the nation. In the delayed address, Putin this morning declares partial mobilization as of today. We expect a volatile session as markets are assessing the wider impact of this renewed escalation.
- Coal** ↗

Inventories at terminals in northwestern Europe are lately dipping to the lowest level in 15 weeks as improved water levels on the Rhine allow accelerated transhipments. However, current forecasts indicate retreating water levels once more. Still, these circumstances and rebounding gas prices couldn't provide any driving impetus, and coal contracts were seen traded on weaker levels. The API2 Cal-23 contract settled the day at 282,20 USD/t, 13,13 USD/t below Monday's result.
- Carbon** ↘

Movement and development in the CO2 market are somehow muted because of the insecurity that the market faces regarding the suggestion of selling 250 million rights to finance the high energy bills for customers all over Europe. This, together with demand destruction and Europe facing a recession due to rising inflation with the results of raising interest costs, lays a wet blanket over the market. The trend is downwards sloping from the former highs and should stay in the consolidation area of 65-75 EUR/tonne. Most bias is still on the downside short term. Partial mobilization in Russia and climbing gas prices from the lows could give some support, though.
- Hydro** ➔

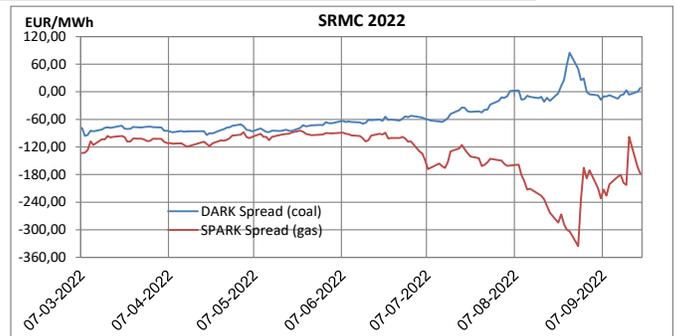
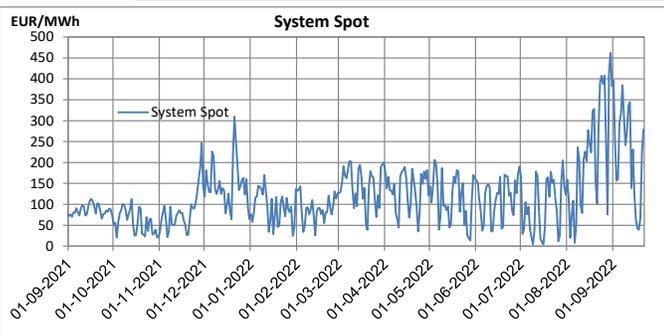
The forecast from EC12 shows slightly wetter weather, considering the ensemble run. The difference is not huge, but the intensity in the low pressure activity is somewhat enhanced this morning. We end up at 8,5 TWh, which is 1,5 TWh above normal. The chosen solution is much wetter and is far above 10 TWh which seems exaggerated but shows that a drier period probably is coming to an end. The GFS model is also wetter and warmer and confirming the EC model. So far the updated ECO0 is on a different path with the lows passing by without hitting Scandinavia. The trend is also towards milder and windier as a consequence of the passing lows.
- Germany** ↗

Despite the bearish opening yesterday, the German power market reversed course during the session. Steadily ticking higher and showing stronger gains towards the end of the day indicates that German power contracts mainly took their lead from the gas sector once more. The front month contract settled the day at 350,95 EUR/MWh, but set its last trade at 372,00 EUR/MWh. Likewise, the 2023 contract finished the session at 522,00 EUR/MWh after the settlement was assessed at 499,55 EUR/MWh. This morning the market is trying to digest recent developments, but seems prone to move higher.
- Equities** ↘

This week continues with focus on the global monetary policy. The Swedish central bank, Riksbanken raised their rate by 1 percent yesterday; last time it occurred was 30 years ago and fears are that other countries' central banks follows in the same bleak footsteps. Most markets was in red territory for the day and the Stoxx 600 also fell 1,09%. Today all eyes are on the Fed as investors are anticipating the third lift of 75 basis points, leaving a recession-like mood on the markets. Overnight the Asian markets went down as well, signifying another bearish day on the stock markets.
- Conclusion** ➔

While forecasts are suggesting a wetter and milder weather trend ahead it was once again overshadowed by rising German power prices and gas prices, giving a more quiet day in the Nordics where O4-22 closed at 275,05 EUR/MWh and the Cal-23 closed at 174 EUR/MWh, near the high of the day. Same story is written today, except for a slightly colder weather trend and a continuous momentum on other energy markets.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
19-sep	261,68	261,68	168,08	168,08	100,74	273,87	66,88	October	342,30	312,30	213,80	327,30	222,30	330,30	197,30
20-sep	363,43	363,43	278,40	278,40	104,50	368,20	229,03	Q4-22	453,05	438,05	293,05	416,05	325,55	426,05	275,05
21-sep	379,94	379,94	354,72	354,72	329,63	377,05	279,34	2023	394,25	396,75	187,90	349,00	188,00	255,58	174,00



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