

Expectation

- Oil** ↘

Brent rose on news from the US where there were declining inventories and hurricane Ian in US Gulf of Mexico barring close to 1% of oil consumption. Brent front month closed on the high of the day at 89,32 USD/bbl. The US dollar rose slightly for the first time in two weeks. The EC announces new sanctions by setting a price cap on Russian oil, which did not come as a surprise to the market as it was already priced in. The current outlook seems to be pulling oil prices downward today.
- Gas** ↘

European gas markets experienced the new increased price levels as of Tuesday evening also being supported yesterday. Expectations around the damaged strings of Nord Stream 1 and 2 are that these won't be usable ever again as without immediate repairs, ingress of seawater will cause too much damage. Lately, increasing demand in line with the seasonal weather conditions also provides support to pushing impulses. This morning the market starts a bit weaker, but high uncertainty remains.
- Coal** →

Similarly to the gas sector, the European coal market saw price levels hovering around the closing levels of Tuesday. The API2 Cal-23 contract was not actively traded on the ICE exchange, its settlement was set at 278,79 USD/t vs. 279,60 USD/t as Tuesday's closing trade. The front month ending the session at 305,25 USD/t as settlement was slightly above the previous day's closing at 303,50 USD/t. Germany announced that power plants in reserve or scheduled for shut-down are allowed to operate in the market for 11 more months, i.e. until end of March 2024.
- Carbon** →

Financial turmoil and uncertainty what will happen with the suggested plans of financing the energy bills in Europe has led to a massive sell off in emission rights where we at the moment trade around the last support level at the 64,50 EUR/t area. If it breaks through that, the way is open all the way down to the massive v-shaped movement that ended at 55 EUR/MWh. Tomorrow the market will know more about the situation, so it will be a nervous trading day today with mostly neutral to a downside risk. It is all in the hands of EU how they will handle extra auction volumes from the Market Stability Reserve to finance different plans.
- Hydro** →

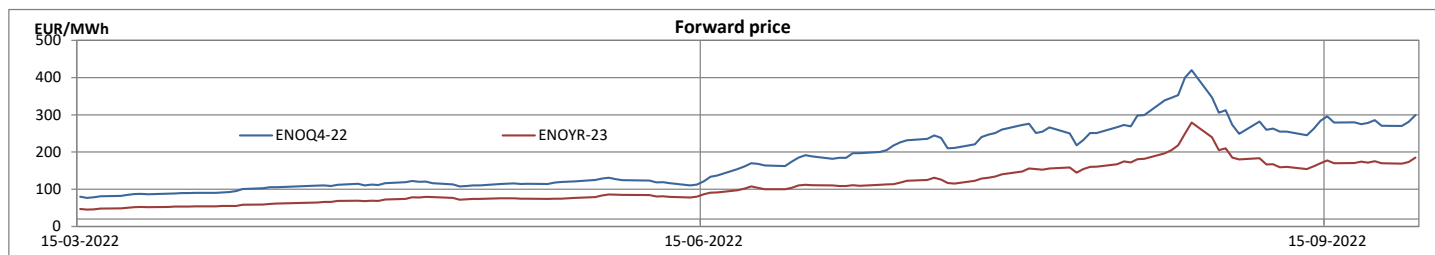
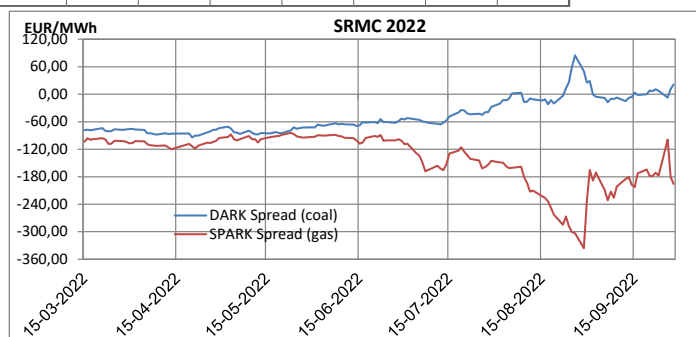
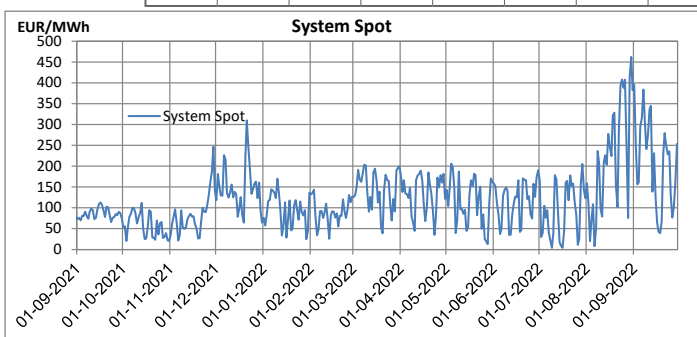
Today's forecast shows an increased amount of precipitation in comparison to the former EC00. It has increased by 1,5 TWh up to 8,5 TWh, which is approximately 1 TWh above normal. It is mostly due to a wetter midsection, where we also can notice that the temperature is rising from below to above normal, with more bearishness considering the consumption. The operational forecast is even wetter and is close to 10 TWh due to the intensity of the lows coming in from the west. GFS is instead drier in the midsector and is around normal levels, so a certain degree of uncertainty how the lows are coming in. Wind production around normal, but a rising trend in the end. Hydrological deficit stands at 15 TWh.
- Germany** ↘

Compared to Tuesday's closing levels, the German power market could retract a bit partly. The front month at its last trade at 365,00 EUR/MWh lost 20,00 EUR/MWh vs. Tuesday's close, the front quarter at 4.70,00 EUR/MWh dipped 15,00 EUR/MWh. The front year on the contrary added 4 EUR/MWh on the day to 510,00 EUR/MWh as the realisation sinks in that damaged Nord Stream strings won't be supplying gas at all anymore. The market appears a bit softer this morning, but also reluctant and with low liquidity.
- Equities** ↘

Nearly all stock markets closed up which was the first day since last week when the Federal Reserve lifted their interest rate. Today Germany will share their temporary numbers on this month's inflation that is estimated to rise above 10% that can offset yesterday's movements in the European stock market. Nevertheless, the Asian markets has fallen up to closing and this might tear in European markets as well.
- Conclusion** ↘

A day with low volumes traded on the Nordic market where the mid-term contracts is gaining a lot of interest on the uncertainty of the Russian gas situation unfolding these days. The Q4-22 and Cal-23 closed at 300 and 185 EUR/MWh respectively. With mixed weather outlooks we are set for another slow day unless the gas and German power market escalate with drawbacks from yesterday's rising prices.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
27-sep	310,21	310,21	47,89	47,89	135,37	296,49	102,98	October	349,00	330,00	223,75	268,50	232,50	340,00	208,00
28-sep	386,20	386,20	66,48	66,48	249,61	297,94	164,01	Q4-22	459,50	452,50	324,25	439,25	350,50	449,50	299,50
29-sep	405,64	417,14	164,10	164,10	224,94	330,61	253,42	2023	414,25	418,75	200,20	358,00	202,00	266,58	185,00



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.