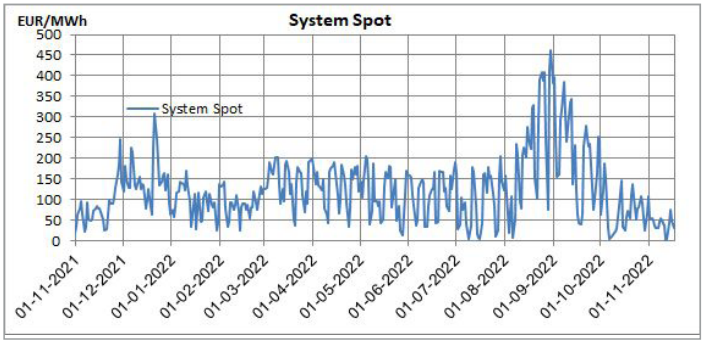
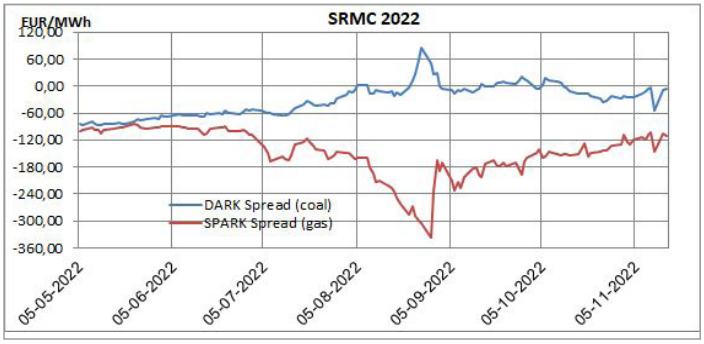
Morning Report November 16 2022

Energi Danmark SECURITIES

	Expectation	
Oil	→	Tuesday, we saw an upwards adjustment on the oil market following the bearish start to the week the previous day. The market is still fighting with mixed signals, as improving inflation numbers in the US and loosened Chinese corona virus restrictions are bullish for the market. However, ongoing concerns about the global economy prevent prices from rising noticeably. The market opens largely sideways Wednesday.
Gas	↘	For a second straight day, we saw a price jump on the European gas market yesterday. For the first time this autumn, cold weather is on the way to Europe, with temperatures in Germany said to drop 2 degrees below average at the end of this week. Although filled storages and ample LNG supply limits the upside, the market reacts to the falling temperatures with rising prices.
Coal	↘	The European coal market follows the movement on the gas market, rising sharply due to the expectations of colder weather in the coming time. The API 2 2023 contract has now climbed more than 10 % over the last two days, closing yesterday at 200 USD/t. We expect a downwards correction today, as gas also falls on slightly milder signals once again from the weather forecasts.
Carbon	→	Expectations of falling temperatures in Europe and ensuing higher demand for gas and coal led to rising prices on the European carbon market as well yesterday. The upside was strengthened by reduced nuclear availability in France, although the market remains within the 70-80 EUR/t trading range where it has found itself recently.
Hydro	↘	During the next couple of days, temperatures in the Nordic area are set to drop below average for the first time in several weeks. The rest of this week and the first half of next week then looks cooler than normal. Looking further ahead, the level then appears to return to around or slightly above normal at the end of November.
Germany	↘	On the German power market, we saw a second straight bullish session yesterday amid colder weather and rising prices across the fuel markets and on the carbon market. The German 2023 contract was up another 18 EUR/MWh, closing at 330 EUR/MWh. Today, we could see the market retreat a bit as a correction to the price climbs from the previous days.
Equities	→	We still see some optimism on the stock markets due to the signs that inflation is cooling in the US. The European markets hope this is a sign that something similar will happen in Europe soon, and the Stoxx600 Index climbed another 0,4 % during the day. The markets open sideways early Wednesday, possibly because of uncertainty about the consequences of the missile strikes on Poland Tuesday evening.
Conclusion	↘	Yesterday, prices continued to climb on the Nordic power market, with the increases attributed to the ongoing weather change. The related markets rise as well due to the falling temperatures across most of Europe. On the Nordic power market, the Q1-23 and 2023 contracts rose to 233 EUR/MWh and 132 EUR/MWh respectively. We expect

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
14-nov	148,79	148,99	127,52	135,45	172,45	52,38	75,59	December	232,25	229,25	199,50	226,00	286,50	230,25	177,00
15-nov	76,41	140,76	51,04	51,04	152,13	50,03	49,40	Q1-23	295,00	296,00	248,50	296,00	353,00	296,00	233,00
16-nov	26,66	26,74	26,74	26,74	299,62	26,74	32,92	2023	302,75	304,25	146,50	240,00	179,00	197,00	132,00





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