

Expectation

- Oil** ↗

This week opened like last week ended, with falling prices on the oil market. Fears about a new global recession and fading oil demand have caused the Brent front month contract to fall more than 15 % since the beginning of the month, with yesterday's clos of 83,19 USD/bbl the lowest level since early January. Tuesday morning however, the market rises due to rumors that OPEC might introduce further production cuts.
- Gas** ↗

Recently, we have seen a rather neutral development on the gas market, and the December contract moved more or less sideways again yesterday. The weather forecasts indicate colder weather in most of Central and Western Europe from later this week, but high storage levels and ample LNG imports limit the upside on the market. Should the cold spell last long however, prices could go higher, and we consider rising prices as very likely today.
- Coal** ↗

The long-lasting uptrend on the European coal market continued yesterday, where the API 2 Cal-23 contract rose to 241 USD/t, up 35 % in just over two weeks. The expectations of colder weather during the upcoming weeks add to the supply concerns which have led to a nervous market as the EU still boycotts Russian coal.
- Carbon** →

Following an uptrend earlier during the month, the European carbon market now appears to have consolidated just below the technical resistance point of 80 EUR/t. Yesterday, the benchmark contract closed at 78,37 EUR/t, as the market awaits further fluctuations on the gas market as well as news about potential market reforms before making any further movements.
- Hydro** ↗

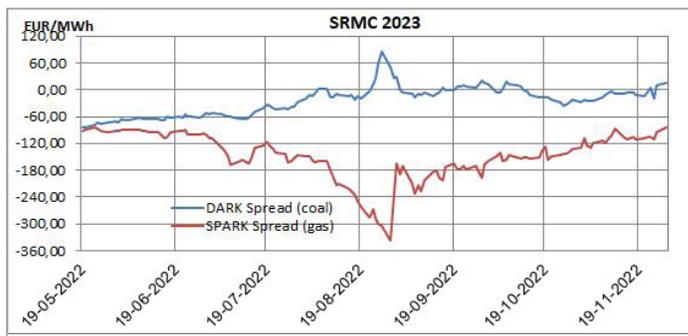
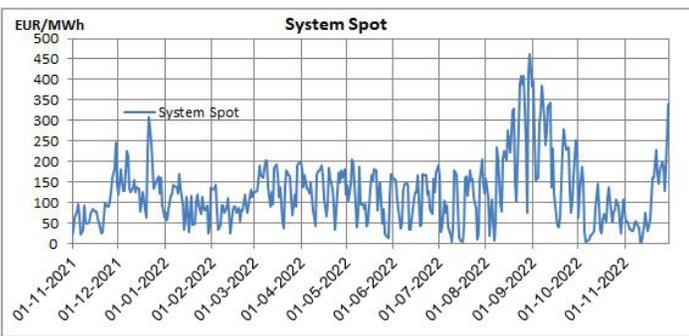
The deficit on the Nordic hydro balance is increasing rapidly at the moment. According to PointCarbon, the balance is expected in a deficit of 15 TWh in two weeks' time, as demand is increasing while precipitation will be sparse during the beginning of December. This is of course bullish for the Nordic power market.
- Germany** ↗

Despite the weather forecasts indicating a cold start to December, the German power market edged down Monday. Healthy gas supply and falling carbon prices prevented the market from rising. The country's 2023 contract closed at 338,19 EUR/MWh, but we consider an increase as the most likely development today.
- Equities** →

Yesterday, the European stock markets opened the week bearishly, amid hawkish signals from the ECB and uncertainty about the development in China, where protests are erupting due to the country's corona virus policy. The Stoxx600 Index closed down 0,7 % while the US markets also were down later in the day. The first signals from Europe early Tuesday appear more neutral however.
- Conclusion** ↗

Monday, the week opened bullishly on the Nordic power market. Cold forecasts for the coming weeks and a rapidly increasing deficit on the hydro balance led to the bullish development, with the Q1-23 and 2023 contracts closing at 270,00 EUR/MWh and 167,13 EUR/MWh respectively. The uptrend could very well continue today, as the cold and dry forecasts are continued while the German market also appears to rise.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
27-nov	140,98	138,12	138,01	138,01	228,69	141,34	128,87	December	277,12	274,25	297,00	300,00	395,00	300,00	280,00
28-nov	189,91	188,57	188,57	188,57	272,75	189,02	186,52	Q1-23	315,75	318,00	283,00	330,00	380,00	323,00	270,00
29-nov	360,29	360,29	358,16	358,62	375,04	349,31	342,23	2023	312,88	314,26	180,38	272,13	216,13	225,13	167,13



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