

Expectation

- Oil**

Tuesday, we saw a rare bullish development on the international oil market, where prices rose after reaching the lowest level in 11 months Monday. The uptrend was attributed to speculation that OPEC might decide to cut production further, once the organization and its allies summit later this week. OPEC has already cut production significantly this year, but expectations of reduced global demand might lead to further output reductions.
- Gas**

On the gas market, both prompt prices and curve contracts continued to rise Tuesday amid colder weather and higher demand. On the leading European gas hub, TTF, the Wednesday's price was 133 EUR/MWh, the highest level since early October. This despite the fact that storages are quite full following a mild autumn. We could very well see further increases today.
- Coal**

European coal prices also rose further yesterday, continuing the rapid uptrend which the market has experienced during the last couple of weeks. If the current forecasts, which indicate below-average temperatures through December, turn out to be true, it will lead to significantly higher consumption in Europe, and the market is pricing this in.
- Carbon**

High auction demand and rising fuel markets led to a bullish session on the European carbon market as well yesterday. The benchmark contract closed at 81,25 EUR/t, breaking through the 80 EUR/t technical barrier for the first time in several months. We expect the market to follow the development on the fuel markets today as well.
- Hydro**

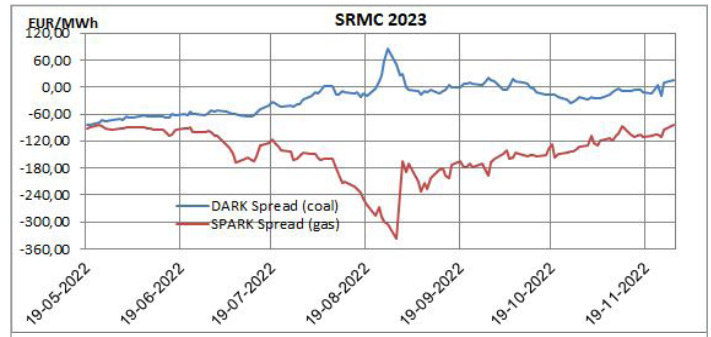
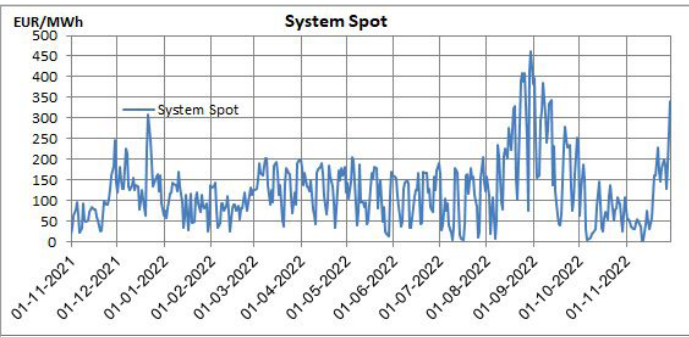
All weather forecasts now agree that we will see a cold spell both in the Nordic area and in Germany during the first week of December and likely longer. Temperatures could drop as far as 4-5 degrees below average, and the Nordic hydro balance deficit continues to widen. The outlook remains bullish for the Nordic power market.
- Germany**

With both gas, coal and carbon prices rising steadily due to expectations of colder weather and higher demand, the German power market also edged up Tuesday. The country's 2023 contract was up 15 EUR/MWh and closed at 353 EUR/MWh. Today, we could see the bullish sentiment continue, as gas and coal markets rise further while the forecasts remain cold.
- Equities**

All eyes on the stock markets are still on China, and the stock markets have some optimism that the protests in the country could lead to a less strict corona virus policy by the country's government. Higher interest rates in the US did however offset the bullish signals, and the European markets closed slightly down for the day. Today, the first indications are bullish.
- Conclusion**

The Nordic power market experienced another day of rising prices Tuesday. Rising prices on the related markets, first and foremost gas and German power, added to the bullish sentiment caused by dry and cold weather forecasts and a rising hydro balance deficit. At the end of the day, the Q1-23 and 2023 contracts had climbed to 299 EUR/MWh and 185 EUR/MWh respectively. We expect the uptrend to continue today, since the fundamentals appear unchanged.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
28-nov	189,91	188,57	188,57	188,57	272,75	189,02	186,52	December	304,00	313,50	333,00	337,00	432,00	322,00	317,00
29-nov	360,29	360,29	358,16	358,62	375,04	349,31	342,23	Q1-23	343,50	344,00	312,00	359,00	408,50	336,00	299,00
30-nov	393,70	390,88	390,08	390,08	391,55	352,87	370,23	2023	317,75	318,00	198,25	288,50	233,50	240,00	185,00



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