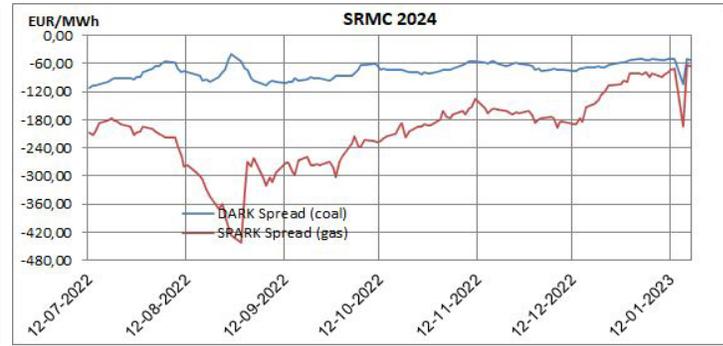
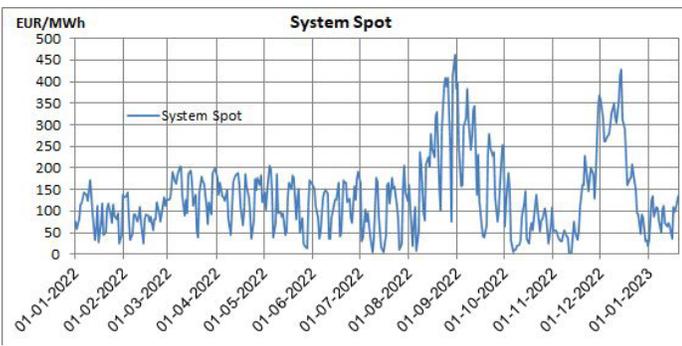


## Expectation

- Oil** After reaching the highest price level in almost two months during Tuesday, the international oil market retreated again yesterday. The overall sentiment on the market remains optimistic however, as the hopes of an improved demand in China in the wake of the country's post-corona re-opening continue to dominate. The Brent front month contract closed the day at 84,98 USD/bbl and falls early Thursday due to weak key figures from the US which cause renewed recession concerns.
- Gas** On the European gas market, we have seen prices stabilize during the last couple of days following the steady losses during the last month. The question is if this is a sign that the market feels we have reached a bottom, or if it is merely a pause to the downtrend. The forecasts continue to suggest mild weather across the continent for most of the next two weeks and since the market remains well-supplied, the argument for further losses is still there.
- Coal** European coal prices also managed to win back some of the previous losses in Wednesday's trading, as the API 2 2024 contract closed at 175 USD/t, the highest level of the year so far. The upturn is likely the result of the current cold-spell in parts of Europe, but the fact that temperatures are set to rise again already at the end of the week limits the upside. We expect a largely neutral session Thursday.
- Carbon** The European carbon market saw a big price jump yesterday, with the benchmark contract up 3,70 EUR/t, settling at 83,26 EUR/t. The development was probably caused by the rising prices on the fuel markets as well as increased demand due to the ongoing compliance buying season. We expect the market to continue to track fuels in the coming time as well.
- Hydro** Temperatures in the Nordic area are expected to remain below average during the next few days, before rising back above normal again as next week goes along. Both wind power generation and precipitation will also increase as the low-pressure weather returns. The outlook still appears bearish for the Nordic power market.
- Germany** Rallying carbon prices and an upturn across the fuel markets as well led to a bullish development on the German power market yesterday. This marked a rare two straight days of rising prices, with the country's 2024 contract closing at 175,93 EUR/MWh, recovering further from the 9-month lows from earlier in the month. Despite the mild outlook, the market continues upwards early Thursday, which indicates that the market might feel that we are near a bottom following the recent losses.
- Equities** Yesterday, the European stock markets changed direction a couple of times, but the Stoxx600 Index closed slightly up following the most recent US key figures. Recession fears led to a more bearish sentiment in the US later in the day, and both the Asian and the European indexes fall as well early Thursday despite falling interest rates.
- Conclusion** Wednesday, we saw the short end of the Nordic power market retreat further amid continuously wet, mild and windy weather forecasts. The Q2-23 contract closed at 81,00 EUR/MWh. Further out the curve, the 2024 contract edged modestly up along with bullish fuels, carbon and German power. It settled at 77,75 EUR/MWh. Today, we could very well see the short end of the curve continue down as the weather forecasts remain mild and wet, while long-term contracts move sideways early in the day.

| Spot   | DK1    | DK2    | SE3    | SE4    | HEL    | OSL    | SYS    | Forwards | DK1    | DK2    | STO    | MAL    | HEL    | OSL    | SYS    |
|--------|--------|--------|--------|--------|--------|--------|--------|----------|--------|--------|--------|--------|--------|--------|--------|
| 17-jan | 125,61 | 62,01  | 62,01  | 62,01  | 62,01  | 125,24 | 98,30  | February | 138,63 | 137,25 | 124,25 | 132,00 | 136,25 | 142,00 | 122,00 |
| 18-jan | 132,95 | 114,51 | 91,36  | 95,18  | 80,63  | 128,73 | 107,71 | Q2-23    | 152,00 | 148,00 | 85,50  | 126,00 | 89,75  | 122,00 | 81,00  |
| 19-jan | 145,61 | 133,72 | 133,72 | 133,72 | 136,81 | 139,39 | 134,71 | 2024     | 139,50 | 141,50 | 80,25  | 120,75 | 83,50  | 114,00 | 77,75  |



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