

Expectation

Oil



After rising sharply over the two first days of the week, the international oil market edged back down yesterday. Despite the recent positive signals for the market, there are still some concerns about global supply due to weak economic signals. Furthermore, a new increase in US inventories added to the downside, as the Brent front month contract close the day at 61,56 USD/bbl, down 0,52 USD/bbl for the day. Early Thursday, the market continues downwards as all eyes are on today's OPEC-Russia summit.

Gas



The European gas markets remain well supplied, and this, combined with weather forecasts that do not suggest any rough winter, led to falling prices across the gas markets yesterday. Temperatures could temporarily drop below average in continental Europe next week, but they should rise to above normal again after a few days. We expect the downturn to continue in Thursday's session.

Coal



We saw falling prices on the European gas markets yesterday, as mild weather forecasts for the coming weeks offered bearish support. The negative sentiment was supported by the losses on the related oil and gas markets, but strong demand offset a lot of the bearish impact. The API 2 Cal-19 contract fell 0,12 EUR/MWh Wednesday and closed the day at 85,53 EUR/MWh.

Carbon



For the first time in the week, the European CO2 quota market edged down yesterday. The future of the UK on the market continues to be a factor, only a few months before the country is set to leave the European Union. The market responds bearishly to signals that the UK might face a so-called hard Brexit. Moreover, losses on the power and gas markets added to the downside. The benchmark quota contract ended up falling 1,06 EUR/t, before closing at 19,67 EUR/t. The market continues to fall today.

Hydro



Expected precipitation in the Nordic area during the forthcoming ten days is still below seasonal average, although the outlook has turned wetter since yesterday. Meanwhile, temperatures will likely fall during next week, but should not reach very low levels however. The outlook supports a bearish sentiment on the Nordic power market today.

Germany



Wednesday, the German power market edged down for a second straight day. Weather forecasts suggest only a few days of cold weather next week, before temperatures will most likely rise again, and the mild conditions cause decreasing power demand. Losses across the fuel markets and on the carbon market offered further bearish support, as the Cal-19 contract ended up settling at 51,20 EUR/MWh, 1,00 EUR/MWh lower than Tuesday. We expect the market to edge further down today, as the signals from the fuel markets are very bearish.

Equities



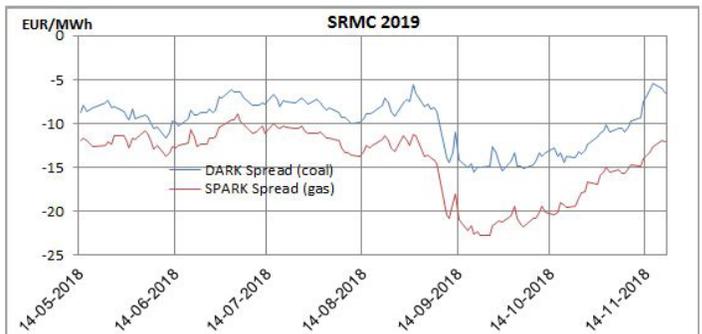
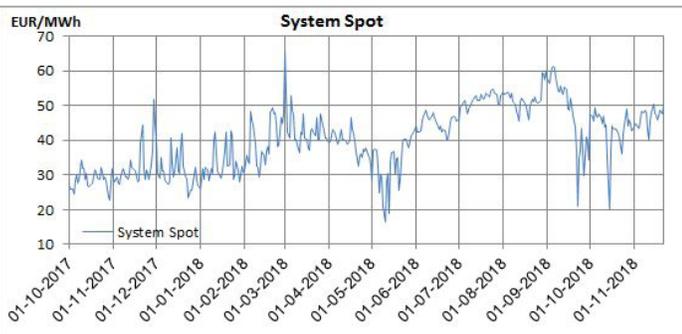
On the European stock markets, we saw a quite big downturn yesterday following Donald Trump's threats the previous evening to restart the trade war with China if the country does not comply with his wishes for a permanent deal. The Stoxx600 Index was down more than 1% for the day. Thursday morning, the Asian markets open with losses as well following the arrest in Canada of the CFO of the Chinese tech giant Huawei. This could lead to another negative day in Europe as well.

Conclusion



Yesterday, there were no major changes to the Nordic weather outlook, and this meant that the Nordic power market responded to fluctuations on the fuel markets and on the German power market. Therefore, the day closed with losses, as the Q1-19 contract fell 0,30 EUR/MWh to close at 50,25 EUR/MWh, while the YR-19 contract was down 0,23 EUR/MWh, settling at 43,20 EUR/MWh. The first signals today point towards another day of losses, as both the fuel markets and the weather forecasts providing bearish support.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
04-dec	44,12	44,17	45,20	45,20	48,20	46,45	46,41	January	51,15	54,28	53,95	56,45	57,20	52,25	52,20	January	48,86	56,19	68,63
05-dec	54,05	58,95	51,45	52,03	55,71	51,17	51,38	Q1-19	49,32	51,88	51,50	53,75	54,05	50,50	50,25	Q1-19	48,55	56,00	96,86
06-dec	51,73	55,45	52,32	52,32	54,23	52,15	52,56	2019	47,60	49,43	45,03	46,75	48,80	43,33	43,20	2019	48,25	51,86	96,86



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