Oil
On the international oil market, prices continued to rise yesterday, and the market has now traded up for eight straight sessions. The Brent front month contract closed at 59,31 USD/bbl, up 0,19 USD/bbl for the day. Expectations of further production cuts among OPEC and Russia, combined with output limitations in Libya and concerns regarding the Venezuelan export have helped the market climb, but the first signals Friday point towards falling prices.

Gas
European gas prices continued to fall yesterday, amid strong supply following a winter with mild weather and continuously high import of LNG from other continents. Temperatures are expected to remain well above average for the coming weeks as well. The NCG Cal-21 contract edged down 0,49 EUR/MWh and closed at 15,40 EUR/MWh. Prices look set to fall further today.

Coal
Demand remains very low on the European coal markets, both because of the mild weather conditions and because gas is still largely favored among utilities. Storage levels in Europe are decreasing, but as spring is approaching there are no signs that demand will ramp up anything noticeably this winter season. We expect the another bearish session Friday.

Carbon
After reaching a one-month high Wednesday, the European carbon market followed the coal and carbon markets downwards yesterday. The market still awaits further news about the resumption of the UK auctions for the first time after the country left the European Union, and once details regarding this is released, it could cause some fluctuations.

Hydro
We see some slightly drier Nordic weather forecasts Friday morning. A high pressure will dominate for parts of next week, where both temperatures and precipitation levels could drop below average for the first time in several weeks. The outlook could very well cause rising prices on the Nordic power market today.

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Germany
With losses on both the fuel and carbon markets, the German power market edged down as well yesterday, although some slightly cooler weather forecasts helped curb the downside. The country’s Cal-21 contract still fell 0,25 EUR/MWh and closed at 42,70 EUR/MWh. Friday, we expect the bearish fuel and carbon markets to cause another bearish session in Germany.

Equities
The corona virus concerns have made several large global companies adjust their financial expectations to this year, and this is not well received by the stock markets. Yesterday, the Stoxx600 Index was down 0,86 % and the first signals Friday point towards another negative session. Focus today will remain on the corona virus.

Conclusion
Another day, another record low on the Nordic power market yesterday. Yesterday, the Q2-20 contract once again reached new all-time lows, falling another 0,60 EUR/MWh to close at 10,70 EUR/MWh as the hydrological surplus continues to grow. The YR-21 contract was down 0,45 EUR/MWh, closing at 25,95 EUR/MWh. Friday, the forecasts have turned a bit cooler and drier and this could result in rising prices today. The losses in Germany and on the fuel, carbon markets, do however limit the upside.