Following eight straight days of gains, the international oil market traded down in Friday’s session. The corona virus concerns are not going away and with the recent spread of the disease in Italy, the fears have struck Europe as well. The market fears that the virus will limit oil demand and therefore, prices are falling. The Brent front month contract edged down 0.79 USD/bbl to 58.50 USD/bbl Friday, and continues down early Monday.

Pressure remains high on the European gas markets. In Germany, the largest gas consumer in the EU, temperatures are expected 3 degrees above average during the next ten days, curbing demand significantly. With high LNG supply, the storage levels across Europe remain should remain well above normal.

European coal prices edged further down in Friday’s trading. Fundamentals were largely unchanged, and the losses on the related markets such as gas and oil added to the downside. The API 2 Cal-21 contract ended up falling 0.16 USD/t to 58.55 USD/t, and the contract is now just marginally higher than the three-year low reached earlier this year.

On the European carbon emission market, we saw a day of more or less sideways trading Friday. The benchmark carbon contract was down a marginal 0.03 EUR/t, closing at 25.63 EUR/t. The market still awaited further details on the scheduled British auction program, which is set to start in early March. The startup has been confirmed and we expect falling prices Monday.

Since Friday, we have received a confirmation to the drier and cooler weather forecasts that started coming in ahead of the weekend. For the first time this year almost, the ten-day forecast is now below average both in terms and precipitation temperatures, with some very cool days expected later this week. The expected change in weather will likely cause rising prices on the Nordic power market Monday.

The German power market continued downwards. Fundamentals are largely bearish, with mild weather forecasts, falling fuel prices and a currently very low spot price level also affecting the long end of the curve. The country’s Cal-21 contract fell another 0.55 EUR/MWh to close at 42.15 EUR/MWh and we expect further losses today.

We saw a very negative sentiment on the international stock markets Friday. The corona virus is still the main topic, and weak key figures from the US could indicate, that the concerns have also started to impact the US economy. At the end of the day, the S&P 500 Index had fallen 1.05 %, and the negative development continues early Monday.

The Nordic power market traded up on the last day of the week, first and foremost because of some drier and cooler weather forecasts for this week. The Q2-20 contract rose 0.50 EUR/MWh to 11.20 EUR/MWh, while the YR-21 contract was up 0.15 EUR/MWh, settling at 26.10 EUR/MWh. Monday, we expect the market to continue upwards. The weather forecasts now signal much cooler and drier conditions in the next weeks, and the market will surely trade up on this.