A complete crash has happened on the oil market over the weekend after OPEC and Russia failed to agree on a deal to extend and deepen their output cuts from April 1. As the rumors started flowing Friday, the Brent front month contract dropped around 10 %, settling at 45.27 USD/bbl. Early Monday, the contract is down around 30 % further, trading around 33 USD/bbl, a rather extraordinary event as the OPEC countries are now free to produce as much oil as they want. The collapse will likely influence all other markets today.

Friday, we saw further losses on the European gas markets. The huge oversupply continues to affect both the short and the long end of the market, and with no signs that winter will ever really arrive to Europe, the market is set for abundant supply throughout the year. The massive losses on the related oil market will surely cause a bearish sentiment Monday as well.

As oil prices started dropping sharply Friday, the European coal market followed suit. Like the oil and gas markets, coal has to deal with oversupply and weak demand. The API 2 Cal-21 contract edged down another 2.54 USD/t, closing at 54.00 USD/t, its lowest level ever. We expect another very bearish session Monday as the oil market continues to lead the way.

Once again, the European carbon market managed to resist the losses on the fuel markets Friday, and only saw a relatively small downturn itself. The benchmark contract was down 0.44 EUR/t, closing at 23.42 EUR/t, but it seems unlikely that the market will be able to avoid a noticeable downwards adjustment Monday, where the oil market is crashing.

Since Friday, we have received more wet and mild weather forecasts for the Nordic area. The 10-day outlook remains both milder and wetter than seasonal average, as low pressures will continue to dominate for most of the time. The outlook remains bearish for the Nordic power market.

The German power market continued downwards Friday, in response to the overall bearish sentiment across the fuel markets, with the carbon market also edging down and adding to the negative sentiment. The German Cal-21 contract fell 0.39 EUR/t and closed at 40.19 EUR/t, the lowest level in one and a half year. We expect a huge downturn Monday.

Another very bearish day struck the stock-markets Friday, where the European Stoxx600 Index was down more than 3 % once again. The corona virus remains the dominating topic on the market, and the huge losses on the oil market just add to the downside. We expect another session with fierce losses Monday, where all focus will remain on the virus and the efforts taken to stop it.

In a complete contract to the German power market and the fuel markets, the Nordic power market traded up Friday, in response to drier and cooler weather forecasts. The heavy losses on the related markets limited the upside, but the Q2-20 contract still climbed 0.55 EUR/MWh, closing at 126.60 EUR/MWh, while the YR-21 contract was up 0.10 EUR/MWh, settling at 26.60 EUR/MWh. Monday, the fierce losses on the oil market should spread to the related markets during the day and cause losses in the Nordic area as well.