Thursday, the international oil markets continued their free fall. The Brent front month contract dropped another 2.57 USD/bbl, settling at 33,22 USD/bbl, the lowest level since 2016. The spread of the corona virus and the massive consequences the efforts to stop it is expected to have on global demand caused the downturn, which was only supported by the Saudi Arabian decision to increase output significantly. Friday, the market opens with a rebound but it is far too soon to be certain about whether it lasts or not.

On the European gas markets, prices fell further yesterday. The spread of the corona virus continues to spread an overall bearish sentiment across all markets, and with the gas markets already oversupplied, the prospect of decreasing demand only adds to the downside. The NCG Cal-21 contract fell another 0,43 EUR/MWh yesterday and closed at 15,42 EUR/MWh.

The European coal markets also saw a downturn Wednesday. Prices have already been falling for months, and the general bearish sentiment has only been strengthened by the increasing lockdown of the Western world during the last week. We expect the losses to continue during the last trading day of the week. The first signals today point towards rising prices, but as with everything on the markets right now, the sentiment can change quickly.

As all fuel markets and the financial markets edged down yesterday, the European carbon market also made a downwards adjustment. The benchmark contract dropped another 1,40 EUR/t to close at 22,52 EUR/t, the lowest price level on the market in a round a year. Even though carbon has been more stable than the fuel markets so far this year, the market could be in for further losses now.

Friday morning, we see a rather similar weather outlook as yesterday in the Nordic area. The next week or so looks wet and mild, but from late next week, the forecasts signal high-pressure weather with much lower precipitation amounts and falling temperatures. The outlook is rather neutral for the Nordic power market.

The German power market made another move downwards yesterday. The country's economy will likely suffer during the corona virus the coming time, and as the fuel and carbon markets took another dive, the country's Cal-21 contract fell 0,82 EUR/MWh Thursday, settling at 39,17 EUR/MWh. We expect either another bearish or a neutral day Friday.

A massive crash struck the international stock markets yesterday. The losses started on the European markets and continued in the US later in the day, once again with the increasing corona virus concerns as the main factor. The worst day on the stock markets for years could be followed by another, but more modest downturn Friday.

Despite some modestly drier and cooler weather forecasts, the Nordic power market edged further down in Thursday’s trading. Nothing is currently able to overshadow the corona virus concerns, and the Q2-20 contract was down 0,15 EUR/MWh, closing at 11,55 EUR/MWh, while the YR-21 contract settled at 25,10 EUR/MWh lower than Wednesday’s close. Friday, we still regard falling prices as the most likely scenario due to the persistent overall bearish sentiment across the markets.