Following the steep downturn across all markets Thursday, we saw somewhat of a recovery in Friday's session. The markets made an upwards reaction, possibly due to hopes of economic stimuli from the central banks and as a reaction to the heavy losses the previous day. The Brent front month contract closed the day at 33.85 USD/bbl, up 1.63 USD/bbl for the day. Monday, the market turns red again and we expect most of the gains from Friday to disappear.

On a day with rebounding markets and cooler weather forecasts, we saw an increase on the European gas markets as well. Even though prices rose across the curve, we still see an overall bearish sentiment on the market, as supply is abundant and demand could diminish even further due to the corona virus crisis.

As the related fuels and the financial markets received a boost Friday, the European coal markets also made an upwards adjustment. The API 2 Cal-21 contract rose 0.74 USD/t and closed at 55.62 USD/t, despite the continuous heavy oversupply on the market and prospects of even weaker 2020 demand. Monday, we expect the market to retreat along with the oil market.

In contract to the fuel markets and the financial markets, the losses on the European carbon market continued Friday. The benchmark contract fell another 0.58 EUR/t and closed at a one-year low level of 21.94 EUR/t. As with the related markets, the movements from here on will be heavily dependent on how the virus situation unfolds, but the first signals Monday point towards another day with falling prices.

Since Friday, the Nordic weather outlook has turned wetter and milder once again. The high-pressure development late this week has been replaced by more unsettled conditions in most forecasts, with higher temperatures and precipitation amounts. This means that the 10-day forecast is once again well wetter and milder than normal for this time of the year. The outlook is bearish for the Nordic power market.

The German power market rebounded in Friday’s trading amid cooler weather and rising prices on the coal and gas markets. The risk of a significantly weakened economy amid the corona virus crisis does however weigh heavy across the market and limited the upside. Monday, we expect the very bearish sentiment to return as the fuel and carbon markets are heading downwards once again.

Following the enormous losses on the financial markets earlier in the week, we saw a bit of a rebound Friday. The question is whether it was just a short moment of air and if the losses will continue Monday. Uncertainty is enormous, and following several border shut-downs in Europe and the declaration of a state of emergency in the US over the weekend, we could be up for another very bearish day.

Friday, there were rising prices on the Nordic power market. Forecasts signaling cooler weather from the second half of this week and gains on the fuel markets helped the market climb, with the Q2-20 contract rising 0.30 EUR/MWh to 11.85 EUR/MWh, while the YR-21 contract was up 0.20 EUR/MWh, closing at 25.30 EUR/MWh. Monday, we expect falling prices once again however, both because of milder and wetter weather forecasts and because of rather sharp losses for fuels, carbon and on the German power market.