After opening the day with losses, the international oil markets turned bullish late Thursday. The hopes of a recovery on the market are still strong as several countries, including the US, are starting to lift their lockdown measures. The output cuts are also supporting the market and the Brent front month contract ended up closing the day at 35,29 USD/bbl, up 0,55 USD/bbl for the day. The market opens bearishly Friday.

The European gas market remains fiercely subdued, with day-ahead prices continuing to drift around all-time lows. Storage levels remain well above average and despite the already oversupplied market, LNG imports remain strong. Yesterday, the short end rose slightly due to supply cuts from Russia, but the long end of the curve moved downwards and reached multi-year lows.

Abundant supply and diminished demand, both because of corona virus and ongoing fuel switches, led to another day of losses on the European coal market yesterday. The market won back most of the losses late in the day, but the API 2 Cal-21 contract still ended up falling 0,17 USD/t, closing at 56,00 USD/t. We expect the steady downturn to continue today.

European carbon prices continued sideways yesterday, as the market appears to have calmed down somewhat following the gains during last week. The benchmark contract closed at 21,26 EUR/t, down just 0,07 EUR/t for the day, as technical indicators and speculative buying overshadow the bearish fundamentals. We expect another day with range-bound trading Friday.

Friday morning, we see a rather unchanged weather outlook compared to yesterday. The very dry conditions will be replaced by wetter weather during next week, where a low pressure will start dominating. Temperatures will remain close to seasonal average. The outlook remains neutral for the Nordic power market since it is no different from yesterday.

For a third straight day, the German power market moved downwards yesterday. The country’s Cal-21 contract edged down another 0,56 EUR/MWh, closing at 36,83 EUR/MWh, with falling prices on both coal, gas and carbon emission market supporting the downside. We do not expect the same kind of fluctuations today.

Even though the Hong Kong conflict is re-escalating, the European stock markets continued upwards yesterday. Optimism remains strong following the new EU helping package. In the US however, the outlook is not quite as bright yet, and the country’s stock markets edged slightly down once again. The first signals early Friday are negative as well.

On the Nordic power market, we saw another more or less neutral session yesterday. Unchanged weather forecasts and limited fluctuations on the fuel, carbon markets caused a quiet day, where the Q3-20 contract rose just 0,10 EUR/MWh, closing at 9,40 EUR/MWh. The YR-21 contract closed the day at 23,15 EUR/MWh, completely unchanged from Wednesday. Today, we expect the neutral sentiment to continue as both weather forecasts and carbon, Germany appear unchanged.