

Expectation

Oil



This week opened with rising oil prices, with the market anticipating the upcoming OPEC meeting, where the organization's member states will once again discuss output cuts. The market expects OPEC to continue with their deep production limitations as demand is still significantly weakened due to the corona virus pandemic. As we await further news on the matter, the Brent front month contract rose to 43,82 USD/bbl yesterday and opens largely sideways today.

Gas



European gas prices rose in Monday's trading, amid a general bullish sentiment across the energy markets and because of cooler continental weather forecasts for the coming months. Temperatures in Western Europe are currently above average, but could drop to around or just below normal towards the end of the week, something which could boost demand.

Coal



On the European coal market, we saw another bullish session Monday. China has imposed a ban on Australian coal, and instead increased its import from other parts of the world. Meanwhile, the strike concerns in Colombia continue, and in total, this is bullish for the European markets due to an overall squeeze in supply possibilities. We expect a downwards adjustment today.

Carbon



The optimism on the European carbon market continued yesterday. The overall sentiment on the energy markets was bullish due to further positive news about upcoming corona virus vaccines and strong technical signals. The benchmark contract, the EUA Dec-20, closed the day at 27,39 EUR/t, up another 1,11 EUR/t from Friday. A correction down seems likely Tuesday.

Hydro



Since yesterday, we have only received confirmations to weather outlook, with the remainder of November still looking almost twice as wet and well milder than seasonal average. The hydro balance surplus continues to climb, and the system price remains extremely low. The outlook remains bearish for the Nordic power market early Tuesday.

Germany



An overall bullish day across the fuel and carbon markets led to rising prices on the German power market as well yesterday. News about another company showing promising results with their corona virus vaccine tests were well received as well, as the country's Cal-21 contract climbed another 0,74 EUR/MWh, closing at 40,34 EUR/MWh. A neutral or bearish day appears most likely today.

Equities



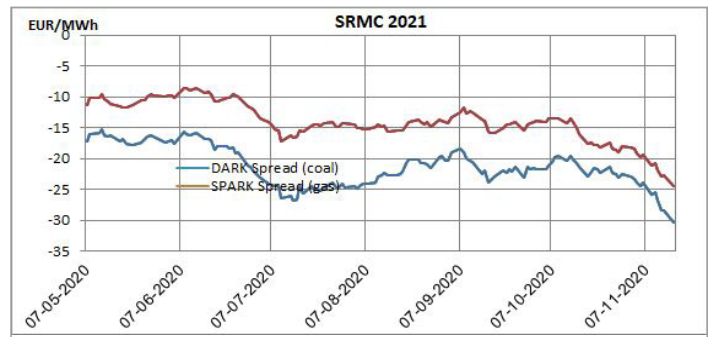
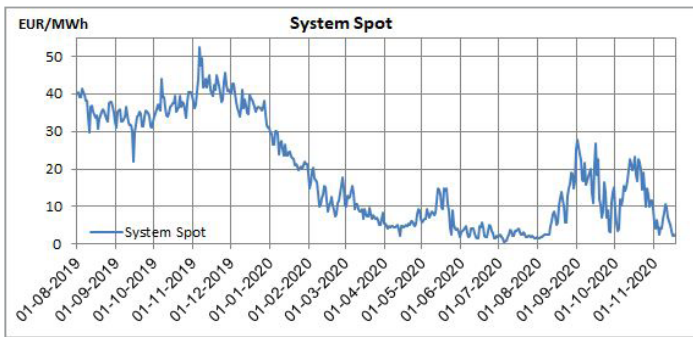
The vaccine news were also the most important topic on the financial markets yesterday, where the European Stoxx600 climbed 1,18 EUR/t as a result. The bullish sentiment continued in the US later in the day, as the market no longer fears a complete national shutdown once Joe Biden becomes President by January. The market opens largely sideways Tuesday.

Conclusion



Monday was another very bearish day on the Nordic power market, which once again showed that it has completely de-coupled from other markets. Despite gains in Germany and on the fuel, carbon markets, Nordic contracts fell sharply, with the Q1-21 and YR-21 contracts both dropping more than 1 EUR/MWh, closing at 14,60 EUR/MWh and 14,45 EUR/MWh respectively. We expect the short end of the curve to continue down today, due to the unchanged weather forecasts. The long end of the curve has to make up for some late gains in Germany yesterday, which could limit the downside here, but will likely also end up with losses.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
15-nov	3,43	24,01	3,86	24,01	3,89	1,73	2,16	December	24,43	27,10	21,85	28,35	30,73	11,20	11,35	December	43,16	40,43	62,30
16-nov	13,20	34,24	13,25	34,24	14,91	1,42	2,40	Q1-21	19,28	20,03	26,15	31,90	35,40	15,80	15,90	Q1-21	43,42	41,04	0,00
17-nov	2,40	36,00	7,75	36,00	12,14	1,35	2,16	2021	33,83	35,18	25,30	30,05	36,15	15,55	15,55	2021	43,89	38,37	0,00



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