

Expectation

- Oil** ➔

Fluctuations have been rather small on the crude oil market recently. Yesterday, the Brent front month contract rose by a modest 0,47 USD/bbl, closing at 55,88 USD/bbl. Focus remains on the corona virus, both the lockdowns and the vaccine process, with no other news really able to cause any noticeable movements on the market. We expect Brent oil to continue to trade within the current range in the coming time, with a largely neutral session Tuesday as well.
- Gas** ➔

The week opened with falling prices on the European gas markets. The market received news about reduced production from Norway, but this was overshadowed by milder weather forecasts for continental Europe and by falling demand in China, which means the LNG is once again starting to arrive to Europe following some tight weeks.
- Coal** ➔

On the coal market, this week opened with falling prices, as the API 2 Cal-22 contract edged down 0,75 USD/t, closing at 67,55 USD/t. The market experiences some profit-taking right now following the recent rally, but high power demand due to the ongoing cold winter across Europe should limit the downside from here on.
- Carbon** ➔

The upcoming restart of EU quota auctions appeared to weigh bearishly on the European carbon market yesterday. The milder weather outlook that reached the markets likely added to the sentiment, as the benchmark contract, the EUA Dec-21, ended up falling more than 1 EUR/t, settling at 33,17 EUR/t. All eyes are on the auction restart Friday and until then, the market will continue to adjust to signals from related markets.
- Hydro** ➔

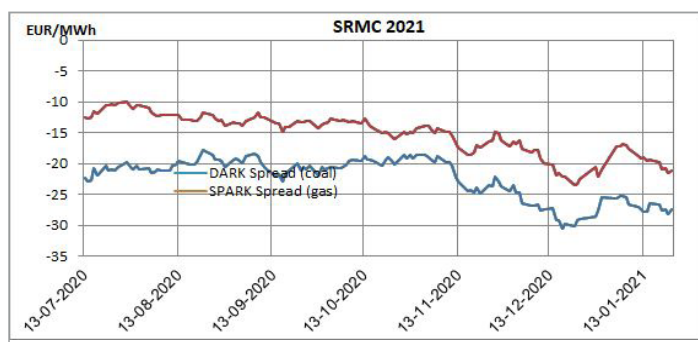
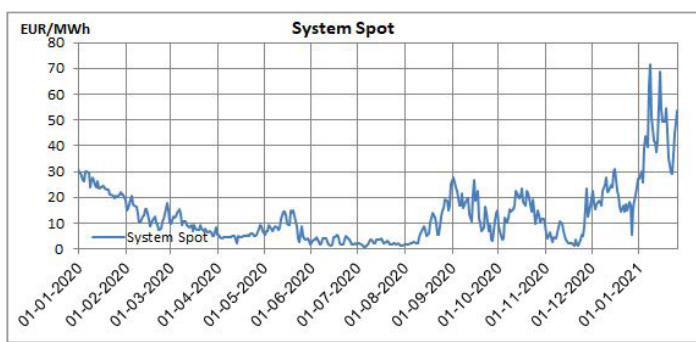
Although the outlook is in fact a bit milder and wetter this morning, both temperatures and precipitation amounts in the Nordic area are still expected well below seasonal average during the next ten days. During next week, there is a chance that we could see a normalization of the conditions. The outlook is likely more or less neutral for the Nordic power market.
- Germany** ➔

Falling prices across the fuel markets and particularly the losses on the carbon market caused a bearish session across the German power market Monday. The Cal-22 contract fell 0,63 EUR/MWh and closed at 50,15 EUR/MWh, as carbon remains the decisive factor for the development on the long end of the curve. The market has to adjust for further late carbon losses yesterday and opens down Tuesday as well.
- Equities** ➔

Yesterday, we saw a bearish opening to the week on the international stock markets. In Europe, there were renewed economic concerns due to increasing corona virus figures in France, and in the US, the sentiment continued as the financial stimulus package to the country's economy still seems at least a month away. Today, the first signals are bearish as well.
- Conclusion** ➔

After opening the day with gains, the Nordic power market changed direction yesterday and closed with losses across the curve. These were primarily attributed to temperature forecasts, that were a bit milder although they remain below normal. Losses in Germany and across the fuel complex added to the downside, with the Q2-21 and YR-22 contracts settling at 29,15 EUR/MWh and 24,93 EUR/MWh. We have some mixed signals early Tuesday. Gas prices and German power is falling, while the weather forecasts appear largely unchanged. We consider falling prices to be the most likely scenario today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
24-jan	49,17	49,17	47,83	47,89	47,83	47,83	44,76	February	49,75	52,00	48,00	51,00	51,25	47,25	44,50	February	51,92	55,15	62,30
25-jan	60,49	60,49	60,18	60,18	60,26	60,18	53,66	Q2-21	40,75	42,58	33,40	37,40	42,23	29,40	29,15	Q2-21	51,37	45,77	0,00
26-jan	61,11	61,18	60,06	60,06	60,42	60,06	53,44	2022	37,91	42,13	27,68	32,86	37,53	26,43	24,93	2022	52,03	45,84	0,00



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