

Expectation

Oil



Tuesday, OPEC and their allies cancelled the idea of continuing their production cuts, and this means that output will increase slightly from next week. Despite these news, and the fact that concerns about the corona virus surge in India are rising, crude oil prices rose in Tuesday's session, where the Brent front month contract edged up 0,77 USD/bbl, closing at 66,42 USD/bbl. The market continues upwards early Wednesday.

Gas



Strong demand and cool weather forecasts continue to offer bullish support to the European gas markets. In Germany, the biggest gas consumer in the EU, temperatures are expected well below average during the coming week, and the low storage levels means that demand is high compared to seasonal normal. We could very well see prices rise further today.

Coal



Demand is also above normal for this time of the year on the European coal markets, where the API 2 Cal-22 contract yesterday climbed by another 0,96 USD/t, settling at 74,79 USD/t. Bullish signals from the Pacific area add to the upside, and the high gas prices continue to make coal profitable for power generation.

Carbon



The rally on the European carbon market has lost some pace, but prices still rose marginally to new all-time highs yesterday. The benchmark contract settled at 47,30 EUR/t, 0,10 EUR/t higher than Monday's close. There are no signs that global climate goals are getting less ambitious, and the fact that the US now also has a clear target on lowering emission rates adds to the bullish sentiment for the European carbon market, and we consider further gains as the most likely scenario today.

Hydro



Early Wednesday, the weather forecasts continue to show below-average temperatures throughout the two-week period, but with increasing wind and rain amounts from the middle of next week. The next two weeks include almost three times as much precipitation as normal for this time of the week. The extremely cold but also very wet forecasts offer mixed signals to the Nordic power market.

Germany



Following the losses during the previous session, the German power market rebounded Tuesday, with bullish fuels and carbon as well as cold weather forecasts helping the market rise. The country's Cal-22 contract was up 0,57 EUR/MWh, closing at 58,83 EUR/MWh. We do not expect the same kind of gains today, where a neutral or slightly bullish sentiment seems likely.

Equities



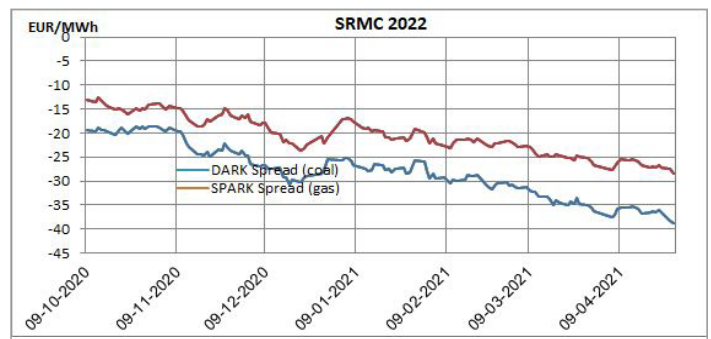
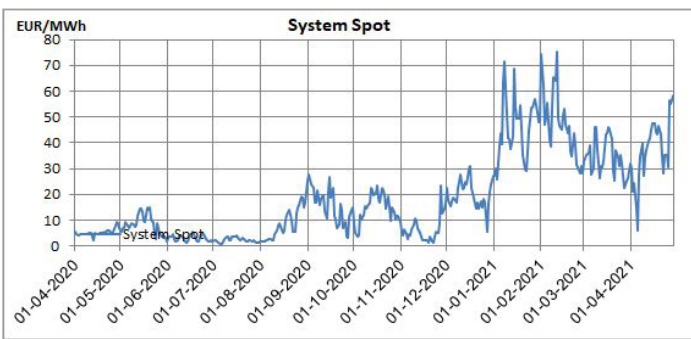
On the European stock markets, the sentiment was more or less neutral Tuesday, where the Stoxx600 Index ended up falling a marginal 0,1 %. The US markets also traded sideways, possibly awaiting Wednesday's interest meeting in the US Federal Reserve. The European markets open neutrally today as well.

Conclusion



Yesterday, the short end of the Nordic power market made a downwards adjustment caused by wetter and also slightly milder weather forecasts. The Q3-21 contract fell 1,25 EUR/MWh and closed at 28,85 EUR/MWh. Rising fuels, carbon and German power managed to offset the bearish sentiment on the long end of the curve, where the YR-22 contract closed at 27,60 EUR/MWh, up 0,10 EUR/MWh for the day. Today, the wet forecasts continue to offer bearish support, but this is to some degree offset by bullish fuels, carbon and by cold weather.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
26-apr	61,56	61,56	50,85	54,93	56,75	57,23	56,63	May	52,30	53,78	37,55	51,55	43,05	43,70	36,55	May	65,61	57,62	62,30
27-apr	59,21	59,21	54,08	58,74	61,30	53,86	55,07	Q3-21	56,98	58,10	33,65	50,10	48,10	34,10	30,10	Q3-21	65,76	56,26	0,00
28-apr	59,72	59,72	58,01	58,95	60,49	57,72	58,13	2022	44,85	47,50	31,25	43,18	35,05	34,00	27,50	2022	65,88	55,37	0,00



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.