

## Expectation

Oil



Yesterday, the international oil markets continued upwards despite the news from the previous days that OPEC and their allies will stick to the plan about increasing their output starting next week. Falling US inventory levels and hopes of higher demand later this year weighed heavier on the market, where the Brent front month contract ended up climbing 0,85 USD/bbl to close at 67,27 USD/bbl. Thursday morning, the upturn continues.

Gas



Both day-ahead and long term contracts on the European gas markets continued to climb yesterday. Storage levels are already low, and the market now has new supply concerns to worry about, as the re-escalated Russia-Ukraine conflict means, that Russia is currently using Ukraine as a transit land of gas to Western Europe. This limits import from Russia and as temperatures remain below average, demand will remain high.

Coal



Trading activity was low on the European coal market yesterday, but as the related gas and carbon markets made another big jump upwards, coal followed suit in lack of any changes to coal fundamentals. The API 2 Cal-22 contract ended up closing at 75,10 USD/t, up 0,31 USD/t from Tuesday, and we expect the market to continue to trade around this price level today.

Carbon



The rally on the carbon market continued yesterday, as the bullish signals are still dominating. Temperatures below average, a soaring gas market and optimism that we are heading towards an end of the corona virus pandemic all helps the market climb, with technical signals adding to the upside. We expect the market to challenge 50 USD/t within too long. Early Thursday, the market trades down, as some traders might secure profit following the recent gains.

Hydro



Not a lot has changed regarding the Nordic weather forecasts since yesterday. The outlook still suggests significantly wetter conditions from next week on, with precipitation amounts rising to around three times as much as seasonal average. Temperatures are set to get closer to seasonal normal, and the outlook is therefore bearish for the Nordic power market.

Germany



Another day with rising gas and carbon prices led to new record highs once again on the German power market yesterday. The country's Cal-22 contract climbed to 59,00 EUR/MWh, 0,17 EUR/MWh above the previous close, as the cold weather forecasts add to the bullish sentiment. Thursday, we see

Equities



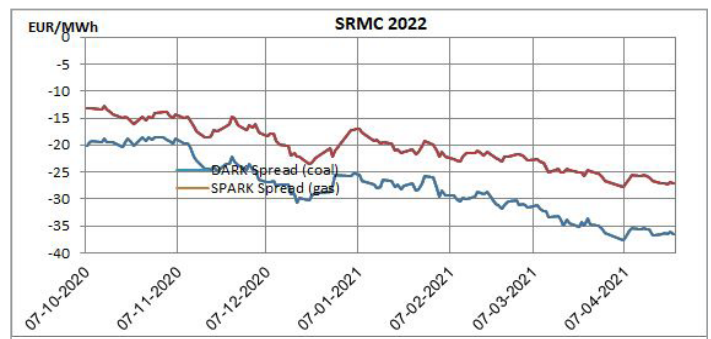
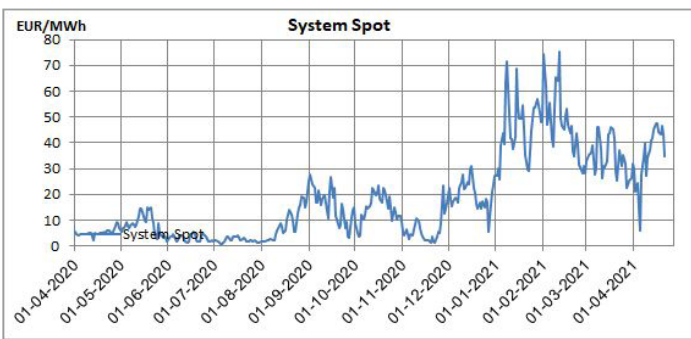
On the financial markets, we saw no big fluctuations yesterday ahead of the awaited interest meeting in the US Fed. As the meeting concluded with dovish signals from the bank, the US markets started rising, although the S&P 500 Index closed more or less neutrally. Today, the first signals from Asia are bullish as well, so we should see the European indexes rise.

Conclusion



Wednesday, the Nordic power market received some mixed signals. The weather forecasts remain both milder and much wetter than seasonal normal, but the long-term outlook is a bit more uncertain than we have seen for a while. The bullish fuel, carbon and German power markets offered bullish support to the long end of the market, but both the Q3-21 and YR-22 contracts ended up closing largely neutral for the day. We could see the wetter and milder weather forecasts cause a bearish session on the market today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
27-apr	59,21	59,21	54,08	58,74	61,30	53,86	55,07	May	51,52	53,02	37,02	49,52	42,32	42,67	35,52	May	66,16	59,81	62,30
28-apr	59,72	59,72	58,01	58,95	60,49	57,72	58,13	Q3-21	58,68	60,70	30,83	48,70	46,95	32,70	28,70	Q3-21	66,17	58,77	0,00
29-apr	54,38	53,10	52,83	53,10	56,05	53,07	53,40	2022	45,70	48,13	31,25	43,28	35,40	34,15	27,65	2022	66,29	56,13	0,00



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