

Expectation

Oil



Despite the ongoing economic concerns regarding the Chinese real estate sector, the crude oil market managed to close yesterday with rising prices. The market is therefore still relatively close to the three-year high level reached during summer. Prices continue to rise early Wednesday on the news, that US inventory levels have declined more than expected following the recent hurricane issues over the last months.

Gas



Early Tuesday, the uptrend continued on the European gas markets, but the bullish sentiment disappeared during the day, and the market ended up falling slightly, and continues down early Wednesday. The downturn is largely considered as a correction following the recent gains, as the fundamental situation remains unchanged and the supply concerns for the upcoming fall and winter are still very much intact.

Coal



The turnaround on the gas market also led to a bearish session on the European coal market yesterday. The API 2 Cal-22 contract retreated 2,16 EUR/t, closing at 123,89 EUR/t, but remains very close to the all-time highs from last week. Demand remains high due to the high gas prices, and we therefore expect the market situation to remain tight in the coming months.

Carbon



Although gas and carbon has somewhat decoupled recently, it seems rather likely that yesterday's losses on the carbon market were the result of the bearish gas market. The market continues to linger around the 60 EUR/t barrier which it has traded around for some time now, but we still see some upside on the market. As coal and gas does not appear to rebound early Wednesday, we do not expect a turnaround on the carbon either.

Hydro



Early Wednesday, the weather forecasts suggest a somewhat wetter outlook than what we saw yesterday. Expected precipitation during the next ten days is slightly above seasonal normal, as the outlook now points towards some very wet conditions at the end of next week. The outlook is bearish for the Nordic power market.

Germany



With losses across the fuel markets and on the carbon emission market, the German power market also saw a rather rare bearish session yesterday. The country's Cal-22 contract edged down 1,21 EUR/MWh, settling at 104,09 EUR/MWh, and we expect prices to continue down today, where the gas market adjusts further down.

Equities



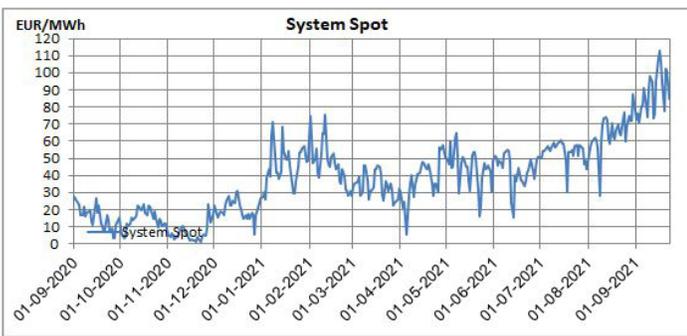
Following the big downturn Monday, the European stock markets returned to the optimistic sentiment yesterday. The concerns about the possible collapse of the Chinese real estate giant Evergrande appeared to fade a bit, and the Stoxx600 Index closed up 1,00 %. The gains continued in the US later in the day. Today, all focus will be on the interest meeting in the US Fed tonight.

Conclusion



On the Nordic power market, prices climbed steeply early Tuesday, due to drier weather forecasts for the coming weeks. The losses on the fuel and carbon markets as well as on the German power market put an end to the bullish sentiment however, and most contracts ended up trading more or less sideways. Wednesday, we consider falling prices as the most likely scenario, as the weather forecasts have turned wetter and the German power market trades down as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
20-sep	150,70	150,70	122,11	144,80	122,11	113,78	102,42	October	138,90	140,40	85,40	122,40	87,35	100,40	78,40
21-sep	149,89	149,89	114,02	138,26	114,02	117,56	100,99	Q4-21	131,70	135,20	83,20	122,95	88,20	102,95	77,95
22-sep	135,79	143,23	94,84	142,04	94,84	113,36	84,80	2022	85,20	89,58	50,40	92,70	65,70	62,70	47,70



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