

Expectation

Oil



Yesterday, international crude oil prices climbed to their highest level in two months. The market has focus on US inventory levels, which have recently dropped to the lowest level in three years. Furthermore, demand is rising and the market has at least temporarily dropped focus on the Chinese real estate crisis, which has caused some risk-off earlier in the month. The Brent front month contract rose to 76,19 USD/bbl yesterday and trades largely sideways today.

Gas



For a second straight day, European gas prices edged down yesterday. The supply concerns on the short end of the market have eased a bit due to a rise in wind power generation and increasing flows from Norway, although the fears of limited import from Russia continues to weigh on the outlook for the coming fall and winter. The downtrend could very well continue Thursday.

Coal



European coal prices fell early in Wednesday's trading, before rising along with most other markets later in the day. The market still faces some tight short-term supply and high demand from utilities due to the high gas prices. The API 2 Cal-22 contract therefore ended up climbing to 128,08 USD/t, up around 3 USD/t for the day.

Carbon



On the European carbon market, prices continue to linger around the 60 EUR/t barrier, as the market awaits further clear signals for direction from the related markets. The carbon market has somewhat decoupled from gas recently, which makes it less predictable, but further gains seem like the most likely scenario in the coming time.

Hydro



The Nordic weather outlook continues to suggest above-average precipitation during the forthcoming ten days, the outlook that led to the bearish sentiment on the Nordic power market yesterday. Wind power generation is expected very high during the coming time, which will have a further bearish effect on the short end of the market.

Germany



The German power market received some mixed signals yesterday, as a strong coal market offered bullish support, which was however somewhat offset by falling gas and expectations of high wind power production in the coming time. The country's Cal-22 contract ended up falling 0,50 EUR/MWh to 103,59 EUR/MWh and as both gas and coal falls, we could see another bearish session today.

Equities



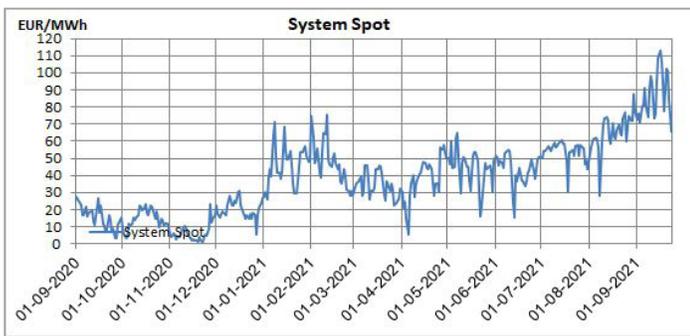
Wednesday, all expectations on the international stock markets were focused the interest meeting in the US Fed, and the European markets therefore traded cautiously during the day. The meeting ended with no big news that change the current interest situation, and both the European and US markets could therefore rise further today.

Conclusion



Another day with incredibly large fluctuations struck the Nordic power market yesterday. Wetter weather forecasts and falling gas prices led to a huge downturn early in the day, before the market ended up winning back large parts of the losses later in the session. The Q4-21 contract ended up falling 2,75 EUR/MWh to 75,20 EUR/MWh, while the YR-22 contract fell 0,25 EUR/MWh to 47,45 EUR/MWh. Thursday, we expect further losses on the short end of the curve due to the wet and windy weather forecasts, while the long end could respond bearishly as well, as the gas markets continue to fall.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
21-sep	149,89	149,89	114,02	138,26	114,02	117,56	100,99	October	128,50	130,63	81,70	121,50	88,00	97,50	75,50
22-sep	135,79	143,23	94,84	142,04	94,84	113,36	84,80	Q4-21	126,70	130,20	80,45	122,20	88,20	100,20	75,20
23-sep	69,20	65,66	61,35	65,66	61,35	98,04	65,78	2022	85,70	90,20	50,35	93,45	67,45	62,45	47,45



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