

Expectation

Oil



After falling in the previous session, the international oil markets turned bullish again yesterday. The market continues to trade around a three-year high price level, as it appears as if the huge fluctuations across the global energy markets also affect oil prices. The Brent front month contract closed Thursday at 81,95 USD/bbl, and early Friday, the market continues the uptrend on improving supply signals.

Gas



The huge fluctuations on the European gas market continued Thursday. Following the big gains throughout the last weeks, the market has suddenly entered a fierce downturn, which started already Wednesday due to credit fears. Now, Russia has indicated they might start exporting more gas to Europe after all this winter, and the market responded to this with further losses yesterday. Today, the market opens bullishly but we will likely see another session with sudden big fluctuations.

Coal



Yesterday, European coal prices continued to fall after the big drop late in the previous session. The market followed the gas market after the news that Russia considers exporting more gas to Europe than previously planned. The API 2 Cal-22 contract ended up falling 4 USD/t and closed at 140,08 USD/t. We could see a rebound today if gas does indeed change direction as well.

Carbon



Despite a bearish trend on the fuel markets, European carbon prices climbed in Thursday's session. The market once again climbed above 60 EUR/t, which is a technical barrier that it will strive to consolidate itself above in the coming time, as demand should start to pick up again for compliance buyers. We expect the market to establish itself between 60 and 60 EUR/t in the near-term future.

Hydro



Ahead of the weekend, the Nordic weather forecasts signal wet near-term weather forecasts while the conditions are set to turn drier next week. Low pressures could start dominating again at the end of next week, and in total, the 10-day outlook is still slightly above average in terms of precipitation. The outlook is

Germany



Once again, the German power market experienced some extreme fluctuations yesterday. Right from the beginning of the day, the losses continued amid plummeting gas and coal prices and because of the overall panic-like sentiment across the markets, which also led to the huge gains early Wednesday. The German Cal-22 contract fell to 122,90 EUR/MWh yesterday and has dropped almost 40 EUR/MWh in one and a half day now. The market opens with a rebound early Friday but everything is still up in the air as volatility remains extremely high.

Equities



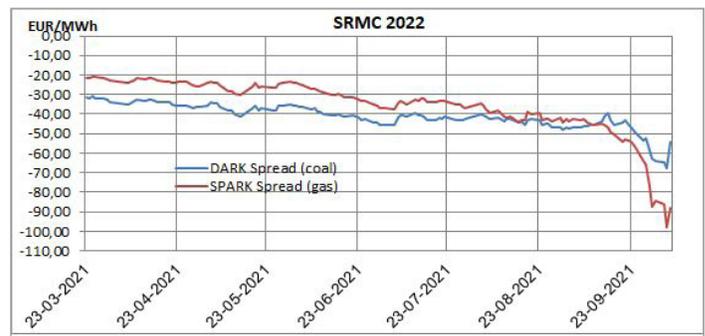
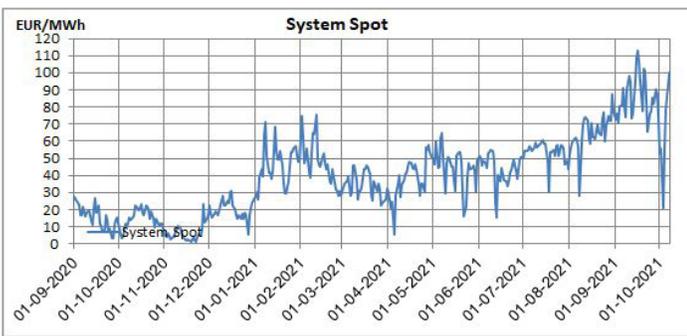
Thursday, optimism returned to the European stock markets following the losses in the previous session. The US markets edged up as well, as the markets position themselves ahead of today's big event, the publishing of the US job report for September. The report will arrive in the afternoon today and the markets of course await this.

Conclusion



Although the Nordic power market appears to have decoupled to some extent from Germany recently, the market joined in on the losses yesterday. The O1-22 and YR-22 contracts fell to 64,10 EUR/MWh and 40,50 EUR/MWh respectively. The weather forecasts were a bit wetter as well, but most of the credit for the losses has to go to the panic on related markets. Friday, German power opens very bullishly, which should offer some support to the Nordic market as well, but we do not expect any big fluctuations compared to the volatility on the related markets.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
06-okt	184,11	184,12	83,22	106,10	69,23	103,97	85,94	November	161,00	165,00	82,00	132,00	85,75	104,70	74,00
07-okt	302,53	302,53	96,40	220,45	94,89	120,42	100,32	Q1-22	133,10	136,10	70,50	140,10	85,60	92,80	64,10
08-okt	203,89	203,89	100,08	177,19	100,08	120,93	98,76	2022	104,50	105,50	43,75	107,50	57,25	56,80	40,50



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