

## Expectation

Oil



On the oil market, the week opened with another bullish day, which send prices to three-year highs. The Brent front month contract closed the day at 83,65 USD/bbl, 1,36 USD/bbl higher than Friday's close. The recently sharply rising gas prices has led to an increase in oil demand, while OPEC, Russia and their allies are still planning to stick to their production limitation deal from earlier in the year. Tuesday morning, we see the steady increase continue

Gas



This week opened with another day with very big fluctuations on the European gas markets, as the market opened bullishly before trading down later in the session. Milder weather forecasts added to the downside on a market which is still not done finding foothold following the extreme rollercoaster ride during the last few weeks.

Coal



Following several days of sharply falling prices, the European coal market rebounded in Monday's session. The tight supply situation on the market continues ahead of the upcoming winter, with stock levels in Europe well below seasonal normal right now, while demand is also high in Asia, while we see supply issues from different parts of the world. We expect another bullish session Tuesday.

Carbon



Monday, the European carbon market rebounded to some extent after falling throughout last week. The benchmark contract still awaits further signals, as it closed the day at 59,15 EUR/MWh. Until we see some new signals regarding climate policy, carbon will continue to react to fluctuations on the fuel markets, with range-bound trading around 60 EUR/t likely in the coming days.

Hydro



Tuesday morning, the Nordic weather outlook remains rather unchanged, with low pressure weather dominating the next few weeks, with a few high pressures briefly interrupting the wet conditions. In total, precipitation is still expected well above average, but the outlook has perhaps been priced in by the market now, so it is limited how much bearish effect it has on the Nordic power market.

Germany



The German power market saw some mixed signals on the first trading day of the week, as coal and carbon edged up, while some contracts on the gas market fell. At the end of the day, the country's Cal-22 contract had climbed to 121,26 EUR/MWh, winning back some of last week's losses. Early Tuesday, the market falls and we could look at a bearish development today.

Equities



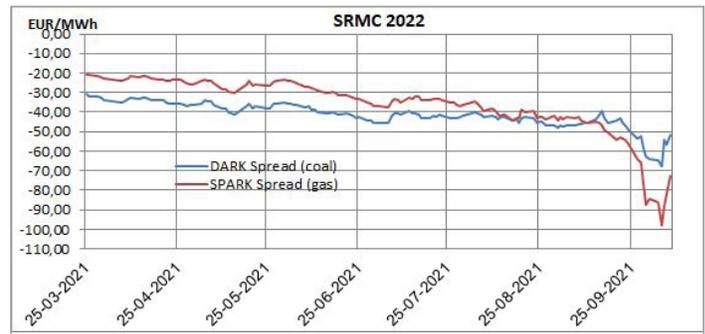
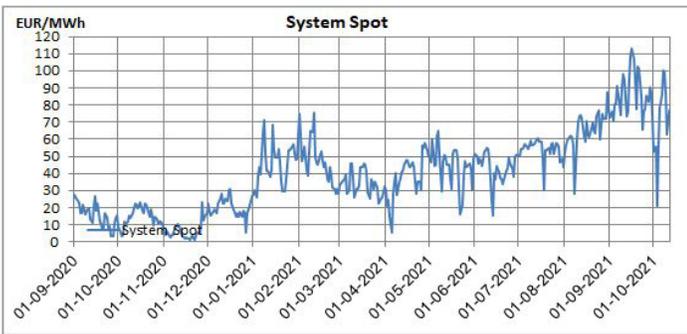
Yesterday, the European stock markets opened the week with a negative session. Inflation fears are rising in the wake of the corona virus recovery of the global economy, and higher energy prices added to the bearish sentiment. The US markets fell later in the day as well, and the first signals Tuesday point towards another day of losses.

Conclusion



Nordic power forwards fell on the first day of the week, but once again, fluctuations were much more modest than on the German power market. The Q1-22 contract fell 2,90 EUR/MWh to 62,50 EUR/MWh, while the YR-22 contract was down 0,80 EUR/MWh, settling at 40,50 EUR/MWh. Wet weather forecasts were the main reason behind the downturn. Tuesday, we expect the downtrend to continue. The weather forecasts remain wet and the signals from Germany are bearish as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
10-okt	141,58	130,85	34,47	40,41	34,47	110,00	62,69	November	147,50	149,50	82,00	130,00	85,50	104,50	72,00
11-okt	113,03	107,00	83,49	92,10	81,33	108,95	76,99	Q1-22	136,50	143,25	70,00	141,50	83,75	93,50	62,50
12-okt	153,56	140,21	117,84	126,23	117,84	116,27	87,61	2022	100,25	106,25	44,00	105,50	57,50	56,50	40,50



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.