

Expectation

- Oil** ➔

Friday, the steady uptrend on the crude oil market continued, with the bullish sentiment attributed to a demand increase. The soaring gas market has led to a partial fuel switch to oil in parts of the world, naturally causing a subsequent increase in oil prices as well. The Brent front month contract closed Friday at 84,86 USD/bbl, and is now set to jump above 85 USD/bbl for the first time more than three years today.
- Gas** ⬇

On the European gas market, we saw a rare bearish session Friday. The most recent weather forecasts indicate milder and windier weather on parts of the continent over the coming weeks, which should take some of the pressure of the short end of the gas market. Nonetheless, the market remains highly volatile as focus remains on Russia.
- Coal** ➔

European coal prices also the Friday bullish, before falling later in the day. The API 2 Cal-22 contract edged down 3,17 USD/t, closing at 156,67 USD/t. Supply issues from both Russia and China, two of the biggest producers in the world, continue to weigh on the market however, and this should curb the downside today despite bearish support from other markets.
- Carbon** ⬇

Last week closed with a bearish day on the carbon market, where the gains from the previous session were completely erased. The market responded to bearish gas and coal markets late in the session, and also faces some technical resistance at the range between 60 and 65 EUR/t. The benchmark contract closed Friday at 59,44 EUR/, and today, we opens with further losses early in Monday's trading.
- Hydro** ⬇

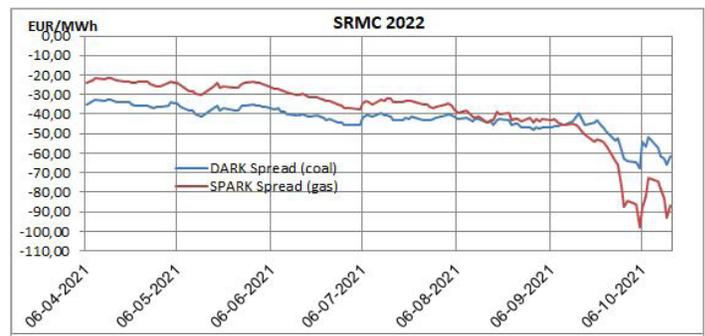
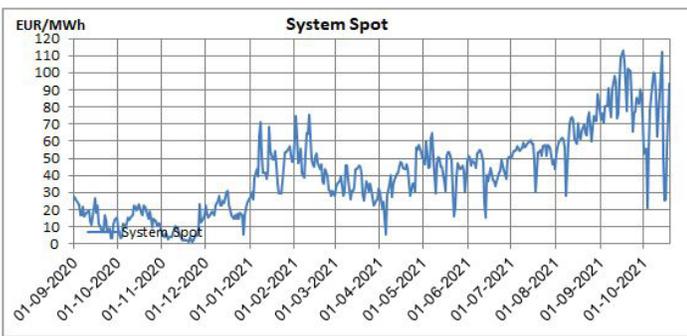
Over the weekend, we have received further wet weather forecasts for the coming weeks. During next week, we could see a brief change to drier and colder conditions, but overall, the 10-day outlook remains both wetter and milder than seasonal normal. This should be a bearish signal for the Nordic power market in today's trading.
- Germany** ⬇

The German power market ended the week with a bearish session. Both coal, gas and carbon prices retreated, and milder and windier weather forecasts added to the sentiment on the short end of the curve. The country's Cal-22 contract fell to 132,36 EUR/MWh and we expect it to fall further today.
- Equities** ⬇

On the financial markets, the week ended bullishly. Both the European and the US markets edged, but the first signals from China early Monday are rather bearish, as the most recent key figures on the country's economic recovery following the corona virus are a bit more disappointing than what the markets had expected.
- Conclusion** ⬇

Nordic power prices climbed Friday, but in contrast to the German market, the Nordic contracts managed to hold on to the bullish sentiment. The Q1-22 and YR-22 contracts closed at 63,16 EUR/MWh and 38,79 EUR/MWh respectively, erasing a chunk of the huge spread between German and Nordic power prices. It appears as if some big players pulled the market upwards and this makes it a bit uncertain what we will see today. The market sees bearish fundamentals with wet forecasts and bearish German power, which does make falling prices likely however.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
16-okt	99,99	24,76	9,10	9,10	9,10	98,79	26,07	November	159,63	158,13	78,13	123,63	82,33	98,13	65,63
17-okt	142,02	112,57	66,59	69,32	47,29	110,03	55,84	Q1-22	150,16	156,16	73,66	142,16	87,66	94,16	63,16
18-okt	181,37	181,37	123,92	151,30	94,13	134,74	93,99	2022	103,17	110,29	43,79	105,49	57,79	54,54	38,79



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