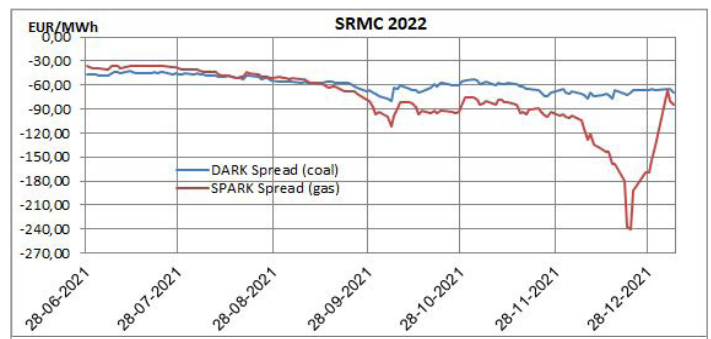
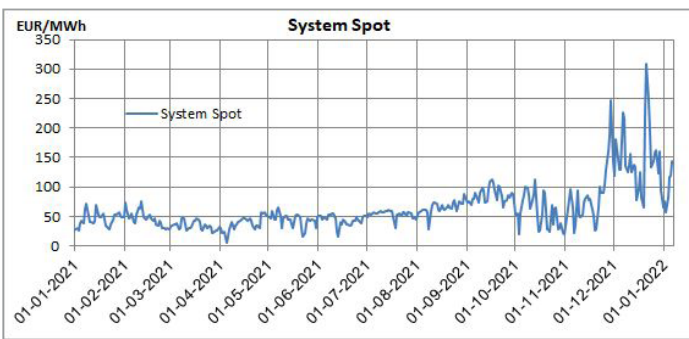


## Expectation

- Oil** After a neutral start to the day, international oil prices started rising later in Thursday's session. The market faces some supply issues, with maintenance and oilfield shutdowns in Libya and unrest in Kazakhstan offering some bullish support to the market. Although Kazakhstan is not an OPEC member, it still has some oil production and the market keeps an eye on the development in the country. Friday morning, the uptrend continues.
- Gas** Both prompt and long-term European gas contracts continued to climb in Thursday's trading, amid cold weather and low supply. Even though LNG arrivals to Europe have ramped up recently, the bearish effect of this on the market is offset by consistently low flows from Russia, as the diplomatic crisis surrounding both Ukraine and the Nord Stream 2 pipeline continues.
- Coal** Yesterday, the European coal market continued to climb, with strong seasonal demand overshadowing supply. The API 2 Cal-22 contract rose by another 2,32 USD/t, settling at 100,32 USD/t. Stock levels across Europe are low compared to seasonal normal and the continuously rising gas prices mean higher coal demand, as coal becomes more profitable for power generation. We consider another bullish session Friday very likely.
- Carbon** The European carbon market adjusted down a bit Thursday following the rather big price jump earlier in the week. The benchmark contract closed the day at 86,74 EUR/t. The market faces low supply and remains driven by technicals and speculative investors, and this will likely remain the case until auctions start up again later in January.
- Hydro** Ahead of the weekend, the Nordic weather forecasts once again suggest that we are up for a change to milder and wetter conditions by early next week, and the mild conditions will continue for a long time. The outlook is not much different than what was forecasted yesterday, with the hydro balance expected to continue to improve during January.
- Germany** With further gains on the coal and gas markets, the German power received bullish support once again yesterday, although the falling carbon prices limited the upside. The country's 2023 contract ended up closing at 136,25 EUR/MWh. We expect price to rise further in today's session as the contract is now approaching all-time highs.
- Equities** On the financial markets, Thursday ended up as a bearish day in Europe, where the Stoxx600 Index fell 1,3 %, in a reaction to the losses in the US the previous evening due to hawkish signals from the Fed. The first signals from Asia early Friday are rather mixed, on a day where all focus will be on the monthly US job report, which will be published this afternoon.
- Conclusion** Thursday, the Nordic power market continued the downtrend yesterday, with an improving hydro balance and mild weather forecasts for the remainder of the month offering bearish support. The hydro balance is now expected around -10 TWh in two weeks' time. The Nordic Q2-22 and 2023 contracts fell to 45,00 EUR/MWh and 38,30 EUR/MWh respectively. We could see a rebound today, mainly because of some late gains in Germany yesterday, although the weather forecasts are today largely unchanged compared to yesterday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
05-jan	108,69	108,59	108,59	108,59	121,66	133,39	119,09	February	197,20	200,20	150,70	188,20	150,70	135,45	92,20
06-jan	188,03	180,25	170,19	170,99	169,68	185,99	144,40	Q2-22	185,40	187,00	57,00	168,00	58,25	63,00	45,00
07-jan	157,72	157,73	157,73	157,73	166,34	158,60	141,71	2023	88,80	91,30	42,78	86,80	45,20	52,30	38,30



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