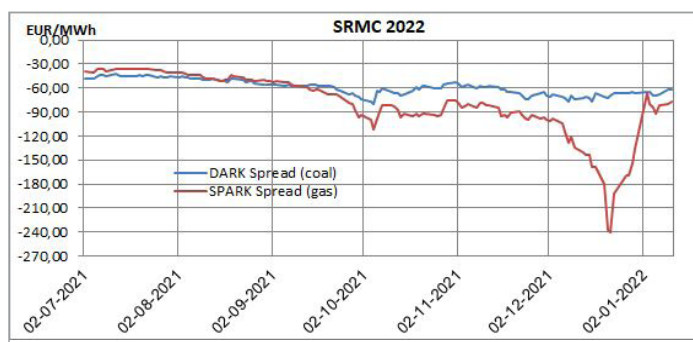
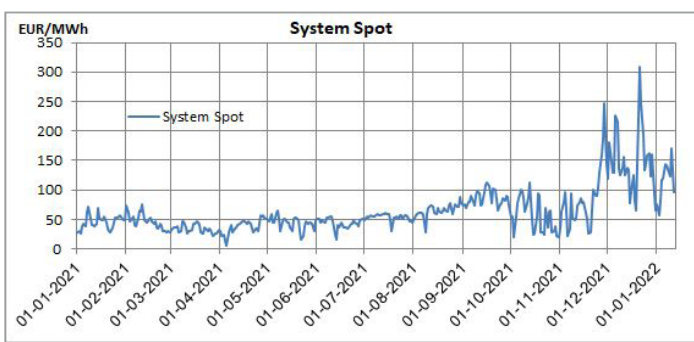


## Expectation

- Oil** Tuesday, international oil prices rose rather sharply and reached the highest level in more than two months. The market is becoming increasingly hopeful that the omicron corona virus wave will not be as bad as previously anticipated, and signals from the US Fed that interest rate increases might be postponed added to the upside. The Brent front month contract climbed to 83,72 USD/bbl and opens largely sideways Wednesday.
- Gas** LNG supply to Europe from other continents, particularly the US, has ramped up significantly recently, finally providing the Europeans with some gas following several months of supply issues. Imports from Russia remain low, but prices fell nonetheless for a third straight session yesterday on the overall improved supply picture. The market appears to stabilize Wednesday.
- Coal** Like the gas market, European coal edged down in Tuesday's session. An increase in gas supply is also bearish for the competing gas market, where demand has increased due to the soaring gas prices over the last six months. Yesterday, the API 2 Cal-22 contract fell 2,77 USD/t and settled at 92,00 USD/t.
- Carbon** Following the rather steep decline Monday, the European carbon market won back some of the losses yesterday, where the benchmark EUA Dec-22 contract climbed 1,21 EUR/t and settled at 81,30 EUR/t. The rebound was likely the result of technical support and the market opens bullishly again Wednesday.
- Hydro** Early Wednesday, the Nordic weather forecasts appear somewhat colder, but remain around or above average in terms of both temperatures, precipitation and wind power generation for the coming weeks. The hydro balance remains in a deficit of around 10 TWh, still down significantly over the last couple of weeks.
- Germany** Once again, the German power market edged down yesterday, with the improved gas supply situation in Europe as the main topic. The country's 2023 contract fell another 1,86 EUR/MWh and closed at 121,50 EUR/MWh. Temperatures in Germany are expected above average for the coming week at least. Today, the market could rebound due to rising carbon and fuels.
- Equities** On the financial markets, Tuesday ended up as a rather bullish day following the signals from US Fed Chief Powell that the bank might postpone the increase of interest rates. The US S&P 500 Index climbed by 0,92 % as a result, and we expect the news to cause a bullish development in Europe as well Wednesday.
- Conclusion** Compared to the massive jumps and drops in December, fluctuations on the Nordic power market have been very small recently. Yesterday, the market climbed modestly, with the Q2-22 contract rising 0,88 EUR/MWh to 41,98 EUR/MWh, while the 2023 contract was up 0,50 EUR/MWh, settling at 38,50 EUR/MWh. The modest increase was likely a mere correction from the previous decline, as the weather forecasts remain rather mild. Wednesday, we once again expect a day of modest fluctuations, where slightly falling prices remain the most likely scenario on at least the short end of the curve due to mild, wet and windy weather forecasts.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
10-jan	244,50	246,73	246,73	246,73	248,71	193,68	170,15	February	161,38	170,50	133,50	167,50	136,50	130,50	87,50
11-jan	155,98	224,34	162,86	224,34	162,77	151,46	133,63	Q2-22	163,98	165,98	53,98	146,98	54,73	61,48	41,98
12-jan	129,61	151,20	86,38	151,20	80,01	138,55	96,65	2023	80,95	82,75	42,90	80,75	45,60	52,50	38,50



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