

Expectation

- Oil

An overall bearish week on the international oil market ended with another downturn Friday. The market appears increasingly concerned about a new potential global economic recession, as the increase in interest rates in the US has led to further losses on the stock markets. This causes concerns about the growth in oil demand as well, and the Brent front month contract closed the day at 113,12 USD/bbl. The market opens with a minor rebound early Friday, but should continue to monitor the global economic signals this week as well.
- Gas

The fierce price climbs on the European gas market continued Friday, and front-month prices are now at the highest level since the chaotic days in the wake of the war outbreak back in late February and early March. The market remains highly nervous about the outcome of the current supply crisis concerning the Nord Stream 1 pipeline, and fears that flows from Russia will end completely. Volatility is expected to remain extremely high this week and we consider further increases as very likely today.
- Coal

Once again, the European coal market followed the surging gas market upwards Friday. The higher gas prices are generally expected to cause coal demand to rise, and even though stock levels at the big European coal terminals are quite high at the moment, coal prices continue to rise as well. We expect the market to track the movements of gas this week as well.
- Carbon

Apart from the fluctuations on the fuel markets, the European carbon market currently has eyes on the negotiations in the European Parliament surrounding a reform of the market. After the previous proposal was rejected by the Parliament, a committee has now come up with what is interpreted as a more ambitious deal, which the Parliament is then expected to vote on and possibly pass this week. The market climbed on these expectations Friday and will continue to follow the development this week ahead of the vote.
- Hydro

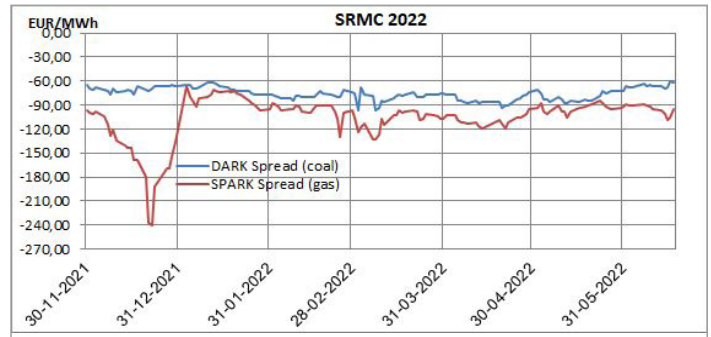
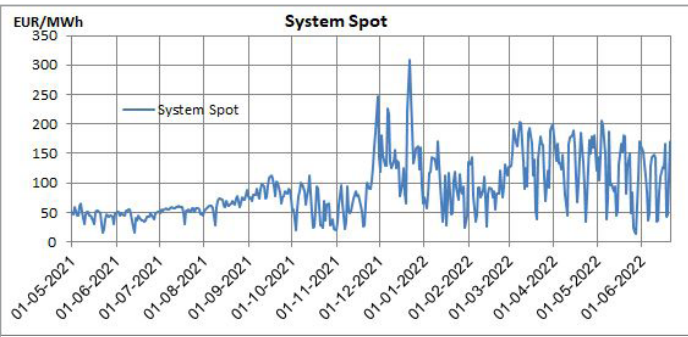
The next week looks both warmer and drier than seasonal average in the Nordic area, and such signals from the weather forecasts add to the current bullish sentiment on the Nordic power market. Looking further ahead, temperatures are set to remain high, while precipitation amounts could increase. The hydro balance deficit is expected at 7,5 TWh in two weeks' time.
- Germany

Rising prices across the fuel markets and on the European carbon market caused the German power market to extend the uptrend Friday. The market is approaching the all-time highs from earlier in the month, as the country's 2023 contract closed the day at 233,00 EUR/MWh. With gas, coal and carbon set to continue upwards Monday, the German power market could very well be set for another bullish session as well.
- Equities

Volatility remained high on the financial markets Friday, as traders still tried to come to terms with the big interest rate increase agreed upon by the US Fed earlier in the week. The European Stoxx600 Index ended up closing more or less flat, but there is not a feeling that the market is oversold just yet. Today, the markets point downwards once again, but we expect a rather quiet session due to public holiday in the US.
- Conclusion

Early Friday, the Nordic power market continued the sharp uptrend from the previous days, but the upside faded later in the day on the short end of the curve, which ended up retreating. The Q3-22 contract closed at 100,75 EUR/MWh, while the 2023 contract climbed further and settled the day at 91,50 EUR/MWh. Rising fuels and German power were the main reasons behind the development. We expect rising prices Monday, both because of the bullish fuel and carbon markets and because of some surprisingly high spot prices for the day, which support the upside on the forward market.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
18-jun	192,50	192,50	9,37	9,37	78,62	139,63	42,08	July	242,00	244,00	85,00	155,00	104,50	153,00	89,00
19-jun	154,65	154,65	17,81	17,81	17,81	127,35	46,32	Q3-22	251,75	252,75	97,00	165,00	120,75	162,75	100,75
20-jun	267,37	267,37	217,97	221,65	226,24	166,83	170,65	2023	188,00	189,00	90,00	163,50	105,50	127,88	91,50



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