

## Expectation

- Oil

After last week's primarily bearish development on the crude oil market, this week opened with rising prices. The market responded to news from the G7 summit in Germany, where the state leaders agreed on further sanctions against Russia, which could potentially cause further disruptions to the global oil supply. As a result, the Brent front month contract climbed to 115,09 USD/bbl, and early Tuesday, it opens with further increases.
- Gas

Supply concerns also remained the main topic on the European gas markets yesterday, as flows from Russia through the Nord Stream 1 pipeline remain subdued. For 10 days in July, it will be completely offline due to maintenance work, and the market fears flows will not return at all. This pushed contracts higher across the curve, although there are still hopes that the European gas inventories could be close to full ahead of winter, if the US manages to ramp up LNG exports again.
- Coal

Coal prices in Europe remain high, as the decision from several countries, first and foremost Germany, to restart previously closed coal plants to secure supply during the challenging times ahead, are bullish for the market. Stock levels at the European coal terminals are actually pretty high at the moment, but this is not enough to prevent price climbs as the situation looks right now.
- Carbon

Following last week's approval of the carbon market reform stance by the European Parliament, focus on the market has now turned to the situation on the fuel markets. The expected increase in coal consumption during the coming months cause rising carbon prices, with the benchmark contract settling yesterday at 85,05 EUR/t. We expect the market to consolidate in the range between 80 and 90 EUR/t in the coming time.
- Hydro

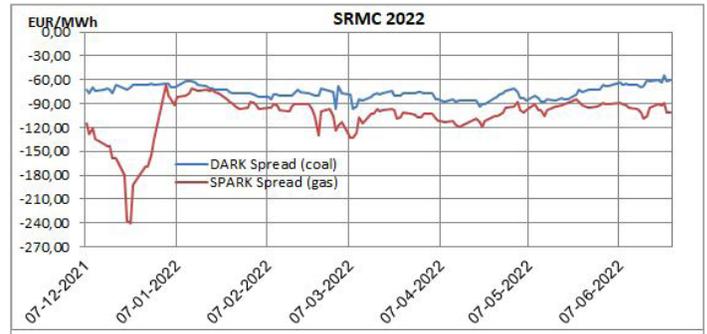
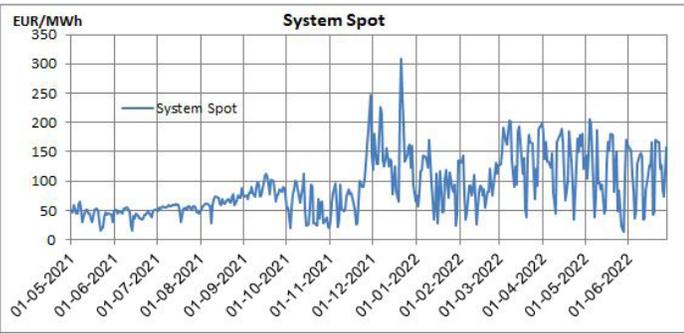
Expected precipitation in the Nordic area during the forthcoming ten days is almost twice as high as seasonal average, and as a result, the deficit on the Nordic hydro balance shrinks. It is now expected at only -4,8 TWh in two weeks' time, noticeably down from earlier in the month. The outlook early Tuesday is bearish for the Nordic power market.
- Germany

The situation remains tense on the German power market, where supply concerns have reached new highs following the drop in Russian gas supplies earlier this month and the fears that supply could halt completely next month. The German 2023 contract closed Monday at 261,20 EUR/MWh and we could see a downturn Tuesday, where the first signals are bearish.
- Equities

Although the increases were not quite as high as the ones Friday, the European stock markets opened this week bullishly. The Stoxx600 Index climbed 0,52 % on hopes that the central banks will manage to get inflation under control. The US markets edged modestly down later in the day and early Tuesday, we see a mixed outlook with low liquidity in Asia.
- Conclusion

Nordic power prices fell in Monday's trading, as wetter and milder weather forecasts for the coming weeks overshadowed the bullish sentiment on the fuel and carbon markets. At the end of the day, the mixed signals caused the Q3-22 contract, which is close to delivery, to fall to 122,50 EUR/MWh, while the 2023 contract edged down to 100,00 EUR/MWh. Falling prices appear likely today as well, as the weather forecasts look quite wet and mild, while the German power market also appears to decrease. Volatility remains high however and the situation can change rapidly during the day.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
26-jun	201,67	201,67	86,07	183,53	90,42	133,92	74,03	July	261,50	261,50	92,80	169,00	142,50	161,50	96,50
27-jun	316,65	316,65	197,20	309,81	201,22	158,28	157,67	Q3-22	286,25	286,75	114,25	188,25	183,50	179,50	117,50
28-jun	331,46	331,46	152,09	314,55	155,16	150,30	126,28	2023	211,90	212,90	98,70	179,15	121,25	136,15	99,90



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