

Expectation

- Oil** ➔

Crude oil prices rose further Tuesday, where the Brent front month contract was up more than 3 USD/bbl, closing the day at 117,98 USD/bbl. The contract has now climbed 8 % in three days, as the market appears concerned about the overall supply picture following the signals from the G7 countries, that they will work on limiting Russian oil profit further. The market will continue to follow these news and we open with sideways trading early Wednesday.
- Gas** ➔

Compared to the volatility during the previous couple of weeks, fluctuations were rather small on the European gas market yesterday. The market remains very concerned about the low flows through Nord Stream 1, but higher Russia export to Europe through another major pipeline helped halting the upside on the market yesterday at least. The market continues sideways early Wednesday, but fluctuations could easily become large later in the day as the nervous sentiment continues.
- Coal** ➔

On the coal market, the uptrend was broken yesterday, where we instead saw a rather sharp downturn. The API 2 2023 contract fell to 248,00 USD/t. The losses were attributed to high stock levels, as inventory levels at the big European coal ports are at the highest level in almost three years. This managed to overshadow the expectations of higher generation demand yesterday, but the question is for how long.
- Carbon** ↗

The European carbon market rose further yesterday, where the benchmark contract climbed to 87,40 EUR/t, the highest level in more than a month. The market keeps an eye on the volatile situation across the related markets, with expected higher coal burn in several countries during the coming months amid emergency plans to save gas.
- Hydro** ➔

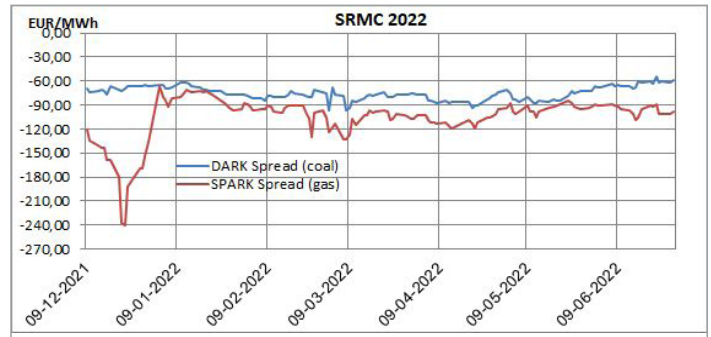
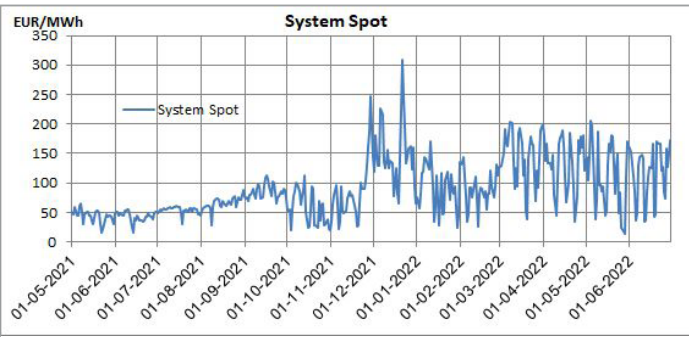
Wednesday morning, the Nordic weather forecasts confirm yesterday's outlook, suggesting a clear change to milder and wetter conditions during next week. Temperatures will drop around 5 degrees to below average, while precipitation amounts will rise to above normal. Looking further into July, the outlook suggests a shift back to drier conditions. The forecast appears somewhat neutral for the Nordic power market.
- Germany** ↗

Mixed signals affected the German power market yesterday, as bullish carbon, but falling coal offset each other to some extent. The country's 2023 contract ended up trading largely sideways. The weather forecasts predict relatively mild and windy conditions during the coming weeks, and we consider rising prices as the most likely scenario today as well.
- Equities** ↘

For nothing less than a third straight session, the European stock markets climbed yesterday, an extremely rare occurrence on the markets in these times. The Stoxx600 Index edged up another 0,27 %, as optimism managed to overshadow the ongoing inflation and recession concerns. Early Wednesday, the markets appear to return to the bearish sentiment.
- Conclusion** ↗

After one day of falling prices, the Nordic power market returned to the bullish sentiment yesterday. After a flat opening, drier weather forecasts led to a rebound on especially the short end of the curve during the day. The Q3-22 contract climbed to 127,25 EUR/MWh, shortly before its delivery, while the 2023 contract settled the day at 103,83 EUR/MWh. Today, further price climbs cannot be ruled out, but we do not expect quite as big fluctuations as yesterday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
27-jun	316,65	316,65	197,20	309,81	201,22	158,28	157,67	August	288,00	288,00	125,90	199,25	204,00	193,00	129,00
28-jun	331,46	331,46	152,09	314,55	155,16	150,30	126,28	Q4-22	259,00	261,00	171,20	241,50	224,75	217,50	174,00
29-jun	315,54	315,54	244,93	314,39	244,93	154,48	173,60	2023	217,83	218,83	103,33	182,83	128,83	141,08	103,83



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.