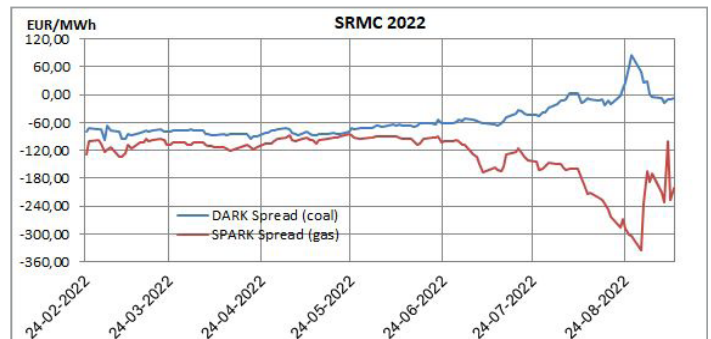
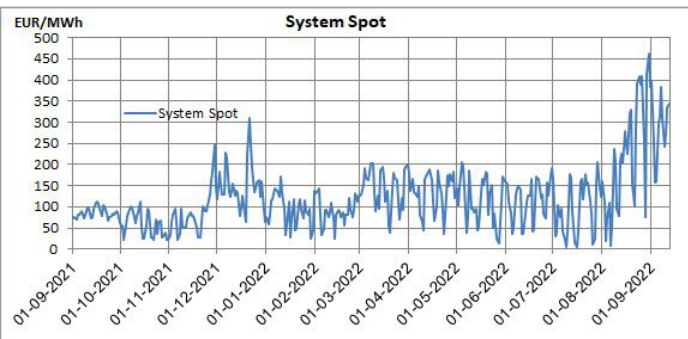


Expectation

- Oil** ➔ Monday, the uptrend on the international oil market continued for a third straight day. The market is hoping for a slowdown in global inflation, but the overall global economic concerns about a recession continue to limit the uptrend. OPEC's decision to reduced output also adds to the recent bullish development. The Brent front month contract closed Monday at 94,00 USD/bbl and trades sideways early Tuesday ahead of the monthly OPEC market report, which could offer some direction to the market.
- Gas** ↘ Despite the reduced flows from Russia, Europe has filled up its gas storage units ahead of the coming winter. According to the most recent data, the total stock level in Europe is now 84 %, with 88 % in Germany. It is of course bearish news for the market, that Europe is looking into the winter with a lot of gas reserves, and gas prices continue to fall today as well. The situation does however remain nervous as the risk of a cold winter without any supplies from Russia has to be priced in.
- Coal** ↘ The European coal market is also well-supplied, with stock levels at the large coal terminals well above seasonal normal. This is partly also because it is difficult to ship the coal on to the inland power plants because of low river levels. The market will continue to monitor the situation on the gas market closely, as the diminished gas flows from Russia could lead to higher coal demand during winter.
- Carbon** ↘ Yesterday, we finally saw a rebound on the European carbon market, after the massive decline of more than 30 % during the previous two weeks. The increase was attributed to higher auction demand and to technical support at the current price level. The benchmark contract rose to 71,82 EUR/t, up around 5 % for the day, before retreating a bit early Tuesday.
- Hydro** ➔ Expected precipitation in the Nordic area during the forthcoming ten days is around 40-50 % above seasonal normal. The hydro balance deficit is therefore expected to decrease during this period, but the effect on the Nordic power market today is not so bearish, because the forecasts signal drier conditions again towards the end of the month.
- Germany** ↘ Further losses on both the gas and coal market led to a bearish development on the German power market as well yesterday. The country's 2023 contract fell to 470 EUR/MWh, the lowest level in around a month and less than half the price of the peak from late August. Bearish gas, as well as expectations of some kind of EU market intervention causes the bearish development, with mild and windy weather forecasts adding to the downside. We expect the downtrend to continue Tuesday.
- Equities** ➔ This week opened with some optimism on the international stock markets, on hopes of more moderate inflation numbers in today's US key figures on the topic. Optimism surrounding the recent development in the war in Ukraine added to the bullish sentiment, with the European Stoxx600 Index climbing 1,8 % for the day. Today, the markets open cautiously, awaiting the US key figures on inflation.
- Conclusion** ➔ Nordic power prices continued to fall yesterday, with both the Q4-22 and 2023 contracts reaching the lowest price level in over a month. They closed at 245,00 EUR/MWh and 154 EUR/MWh respectively, with an improving hydro balance, bearish gas and expectations of an upcoming market intervention by the EU causing the development. We see a neutral opening Tuesday, but if gas and German power continues to fall, the Nordic power market could very well start edging down as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
11-sep	391,49	391,49	350,08	358,60	282,05	403,58	335,29	October	355,48	353,50	207,00	322,25	233,00	320,25	195,25
12-sep	406,66	407,92	361,27	361,27	258,33	408,63	344,92	Q4-22	502,00	494,00	259,50	372,00	295,00	385,00	245,00
13-sep	370,44	360,72	66,05	66,05	74,22	383,39	138,87	2023	380,50	383,00	167,05	320,00	166,00	236,00	154,00



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