

Expectation

- Oil

For a fourth straight day, prices climbed on the international oil market yesterday, with the Brent front month contract closing at 84,03 USD/bbl. The contract has now increased by approximately 8 % since the beginning of the week. The market has turned optimistic due to the re-opening of China following several years of corona virus restrictions, and positive US key figures on inflation added to the upside yesterday. The market opens sideways early Friday but could very well start rising again later in the day.
- Gas

Following a couple of bearish sessions, the European gas market started climbing instantly Thursday morning. The weather forecasts for Western and Central Europe indicated cooler and less windy condition during next week, and the market responded bullishly to this. We could see prices continue upwards today as the forecasts point towards a cold end to January in Europe.
- Coal

After dropping to the lowest level in 10 months during the previous days, the European coal market edged up along with gas yesterday. Like gas, the upturn was attributed to weather forecasts indicating much colder and less windy weather across the continent next week, which should of course trigger an increase in demand.
- Carbon

Thursday, the European carbon market climbed along with the fuel markets in response to the wetter weather forecasts for the coming weeks. As gas and coal consumption is expected to rise, demand for allowances could very well increase as well. The benchmark contract jumped back above 80 EUR/t and it seems likely that the market will continue to track the development on the fuel markets in the nearest future.
- Hydro

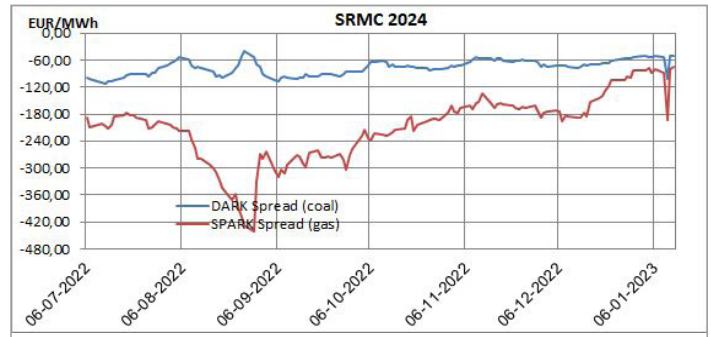
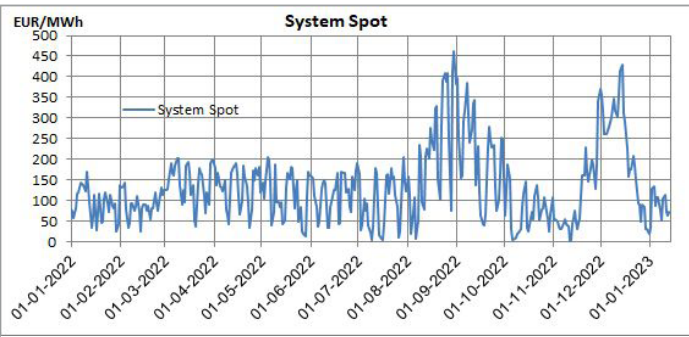
Starting early next week, a weather change will gradually take place in the Nordic area. The current mild, wet and windy conditions will be replaced by more high-pressure dominated weather, and temperatures will drop below average for the first time this year. The outlook is bullish for the Nordic power market.
- Germany

On a day with rising prices across the fuel markets as well as on the carbon market, the German power market was up for a bullish session as well Thursday. The country's 2023 contract recovered a bit following the previous rather sharp losses and closed at 181 EUR/MWh. Friday, we expect the uptrend to continue as the forecasts are confirmed and gas continues to rise as well.
- Equities

All eyes yesterday were on the US key figures on inflation, which came out more or less as the market had expected in advance. Therefore, there were no big fluctuations on the stock markets, with both the European and the US indexes closing the day modestly up. The first signals Friday point towards a neutral opening.
- Conclusion

Yesterday, the sentiment turned bullish on the Nordic power market. The weather forecasts now show below-average temperatures during most of next week, likely longer, and the rising prices across the related markets added to the upside. The Q2-23 and 2024 contracts rose to 90,00 EUR/MWh and 77,00 EUR/MWh respectively. Friday, the market opens a bit down, but since the related markets rise and the forecasts look cold, we expect the market to strengthen later in the day.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
11-jan	83,01	62,16	56,83	62,04	63,51	90,56	71,41	February	154,25	155,00	154,00	156,50	165,00	168,50	146,50
12-jan	74,64	58,36	58,36	58,36	52,93	83,68	65,20	Q2-23	162,00	158,50	96,25	154,75	100,00	131,00	90,00
13-jan	66,70	68,32	68,32	68,32	68,32	77,17	73,08	2024	135,40	137,78	82,80	139,50	83,50	113,00	77,00



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