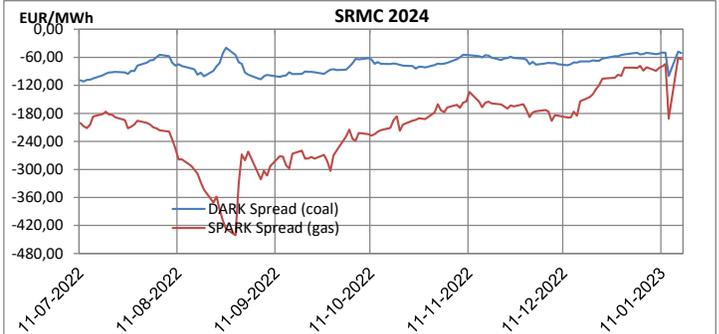
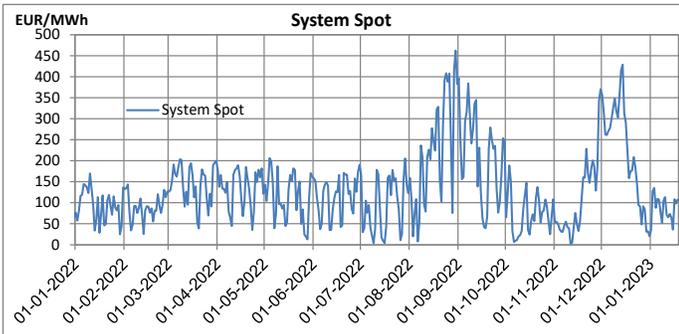


Expectation

- Oil** After Monday's short-lived decent drop, the oil market rebounded yesterday as there continues to be optimism on China re-opening. With growing oil output for December and as the lunar new year celebrations begin on Sunday, there are expectations for higher demand in China. Likewise, the weakening dollar has made oil more attractive for non-US dollar purchasers. The Brent front month contract closed up near 2% for the day at 85,92 USD/bbl and is set to continue rising today.
- Gas** In light of the latest development, a rebound in the gas markets seemed due, if not overdue. The rolling TTF front month contract early in the session set a new low in more than 16 months at 51,405 EUR/MWh, but turned direction and hit levels as high as 60,595 EUR/MWh before ending the session at 60,061 EUR/MWh. While supply uncertainties for this year remain, this move was also supported but weather forecasts, that indicated cooler conditions for this and next week with wind output being rather muted. With wind and temperature forecasts for next week revised up for Central and Western Europe, the market starts softer into the session this morning.
- Coal** Initially, the coal market followed the gas prices and was seen a bit softer, but after noon coal leaped further upwards and the front year contract on the API2 closed up nearly 10% at 173 USD/t. Despite the well stocked terminals in Northern Europe, it was not enough to limit the rising prices from expectations of growing demand in China. We might see the coal market a bit softer today in line with gas.
- Carbon** While the broader energy complex tracked the upside in the gas markets, the carbon market saw advancing price levels as well. The EUA auction at a clearing price of 75,04 EUR/t was in line with Monday's result, but couldn't keep the Dec '23 benchmark contract from ending the session at a settlement of 79,56 EUR/t, up 1,99 EUR/t on the day. Cooler, less windy conditions with an expected uptick in fossil fuel burn in the near-term proved supportive for the sentiment.
- Hydro** Forecasts this morning confirm the colder development this week once more, with levels hitting a low by the weekend before turning around to milder values thereafter. At the same time, precipitation during this week is hitting rather low levels, but is expected to pick up again from early next week. Adding a wetter day at the end the current 10-days result is improving a bit from yesterday with an estimated 90% of reference, while the sum for the next 15 days seems marginally drier than yesterday at around 90% of reference as well.
- Germany** The German power market took also direction from cooler and less windy conditions, in line with fuels and emissions certificates being price higher. The impetus managed to support contracts along the whole forward curve after initially new lows were hit. The front month at its closing of 148,00 EUR/MWh added 7 EUR/MWh on the day. The front quarter, up 9,25 EUR/MWh, stood at 145,75 EUR/MWh. The front year at 168,20 EUR/MWh even added 15,20 EUR/MWh throughout the session. With partly changed weather forecasts, the German power market opens down similar to the gas sector.
- Equities** There were mixed signals on the financial markets yesterday. The Stoxx 600 closed up 0,4% for the day on news that the ECB is considering a smaller rate hike come February. Additionally, data confirmed that the German inflation was falling in December. The European Stock markets are set for another positive opening today.
- Conclusion** In similar fashion to neighbouring markets, the Nordic power market held on to the recent sentiment and dipped further. Eventually, the bullish pressure from revised weather forecasts for bigger parts of central Europe and gains in the fuel sector took over and lifted Nordic contracts as well. The front month settling at 126,88 EUR/MWh added 6,88 EUR/MWh. The front quarter added 6 EUR/MWh to end at 83,00 EUR/MWh, the front year at 75,15 EUR/MWh gained 1,90 EUR/MWh. This morning, the market is set to start on a softer note.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
16-jan	128,75	92,02	79,66	79,70	70,62	130,54	108,26	February	141,88	138,88	126,13	136,88	141,38	148,88	126,88
17-jan	125,61	62,01	62,01	62,01	62,01	125,24	98,30	Q2-23	148,00	146,00	87,50	128,00	92,50	124,00	83,00
18-jan	132,95	114,51	91,36	95,18	80,63	128,73	107,71	2024	132,90	134,90	78,15	118,15	81,15	111,15	75,15



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