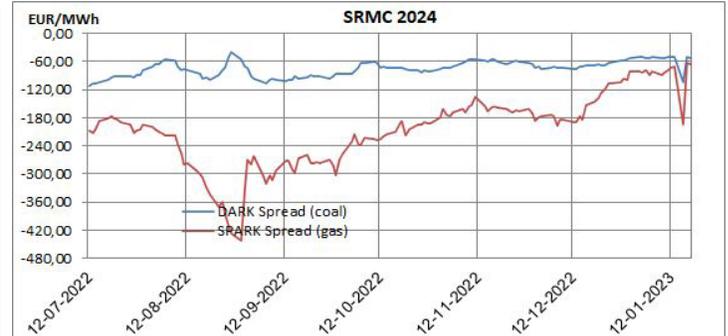
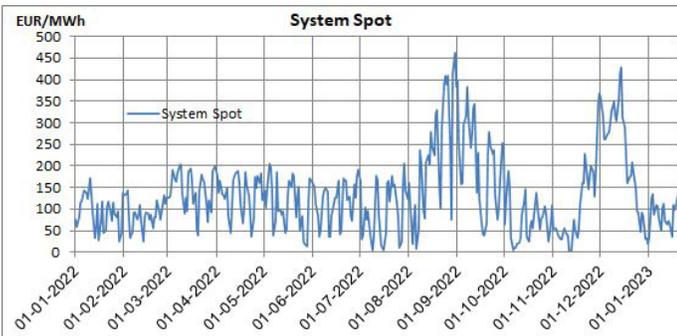


Morning Report January 20 2023

Expectation

- Oil**  Thursday, the uptrend continued on the crude oil market, where the Brent front month contract reached the highest price level in one and a half month, closing the day at 86,16 USD/bbl. Focus on the market is currently very centered on China, as a brighter economic outlook for the country and hopes of a gradual post-corona virus re-opening boost expectations of higher oil demand in the world's most populous country. The market opens Friday with further increases.
- Gas**  Prices rose for a third straight day on the European gas market yesterday, a rather rare event under the current circumstances, where the market has been declining steadily for the last couple of months. The current cold spell, lingering demand and reduced supply has at least prevented the market from decreasing further, but since the forecasts for the next weeks look quite mild, it appears likely that the market will start falling again.
- Coal**  Colder weather and bullish gas also helped the European coal market rise in Thursday's trading. The API 2 2024 contract climbed another 2,91 USD/t and closed at 177,95 USD/t, the highest price level since Christmas. It is worth noticing that the increases have been rather modest however, and as long as the market remains well-supplied and no real winter weather is in sight, we do not expect any big price jumps.
- Carbon**  Carbon continues to track the development on the fuel markets closely, and therefore edged up along with gas and coal yesterday. The benchmark contract settled the day at 83,90 EUR/t, and will likely continue to track the fuel markets in the near future. The market also receives support from rising demand, as the annual compliance buying season is upon us.
- Hydro**  Ahead of the weekend, we see no major changes to the weather outlook. Temperatures as well as wind output will rise above normal during next week, and there are no signs of very cold weather in the forecasts. The deficit on the hydro balance is set to decrease and the outlook therefore remains bearish for the Nordic power market.
- Germany**  Rising gas, coal and carbon prices led to a bullish session on the German power market Thursday. The country's 2024 contract rose to 179,83 EUR/MWh and has now increased around 15 % so far this week. This comes in the as a result of the cooler weather conditions and rising fuels, but is likely also to some extent the result of a market which felt the need of a correction following some sharp losses recently. The market opens down Friday as gas also appears to change direction and edge down.
- Equities**  Continuous recession concerns and hawkish signals from the central banks led to a very bearish day across the stock markets yesterday, where the European Stoxx600 Index fell 1,6 %. This was one of the most negative days of the year so far, and the sentiment continued in the US. The first signals from Asia early Friday are a bit more bullish.
- Conclusion**  Yesterday, the sentiment remained overall bearish on the Nordic power market. The short end continues to fall due to mild, wet and windy weather forecasts for at least the remainder of January, and even though fuels, carbon and German power rose, the long end edged down as well. The Q2-23 and 2024 contracts closed at 77,50 EUR/MWh and 75,75 EUR/MWh respectively. The market opens slightly down today, amid mild weather forecasts, losses in Germany and bearish gas.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
18-jan	132,95	114,51	91,36	95,18	80,63	128,73	107,71	February	130,38	130,00	116,75	124,00	127,75	134,00	114,00
19-jan	145,61	133,72	133,72	133,72	136,81	139,39	134,71	Q2-23	145,00	141,50	82,00	122,50	86,25	118,50	77,50
20-jan	180,66	180,66	128,66	170,37	118,66	150,93	135,27	2024	142,75	141,75	78,90	118,25	80,75	112,00	75,75



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