

Expectation

Oil



Oversupply worries continue to impact the international oil markets despite the fact that OPEC are trying their best to figure out a way to curb production. Several countries have steady high production level even though they have pledged to cut output, and OPEC fails ways to enforce sanctions on these nations. Prices fell due to the oversupply, with the Brent front month contract down 0,80 USD/bbl, closing at 51,90 USD/bbl. The market also keeps an eye on the US-North Korea tensions, but appears to take a wait-and-see approach at the moment. Further losses seem likely Friday.

Gas



The European gas markets continued to rise in Thursday's trading, with the British NBP Winter-17 contract up 0,48 p/th, closing at 44,49 p/th. This is the highest price level for the contract in more than five months. There is still a lot of uncertainty on the market regarding maintenance outages in Norway, where the big Heimdal field is out of operation. It is insecure, when it will be back. Bullish support from the coal market added to the upside.

Coal



Prices just keep on rising on the European coal market, which almost each day at the moment reach the highest price level seen since 2014. It is mainly bullish signals from Asia that keep pushing prices upwards. Demand in China remains high due to a persistent heat wave in the country, and the country's stock levels are starting to fall. Meanwhile, production issues hamper some of the countries that usually export to China. The first indications Friday are a bit bearish, as the market might feel a need to take a break following the recent gains.

Carbon



Following the very bullish session Wednesday, yesterday was a bit more quiet on the European carbon emission market. The market initially continued to rise, but the upside did not last throughout the day, as buying interest faded out. The benchmark quota contract ended up falling a marginal 0,03 EUR/t, settling the day at 5,37 EUR/t.

Hydro



While the next four to five days look quite dry in the Nordic area, the forecasts remain wet if you look further out the curve. From around the middle of next week, the outlook is very wet and low pressures will most likely also dominate the Nordic area during week 34. These mixed forecasts could cause a largely neutral day on the short end of the Nordic power market Friday.

Germany



Thursday was a record day on the German power market, where the country's Cal-18 contract rose to 31,80 EUR/MWh, the highest price level in more than two years. The continuously bullish coal markets continue to impact the German market, and the Nordic market is naturally also affected when prices in Germany are at a two-year high. Friday, the fuel markets look set for a downwards adjustment and this will probably affect the German market as well.

Equities



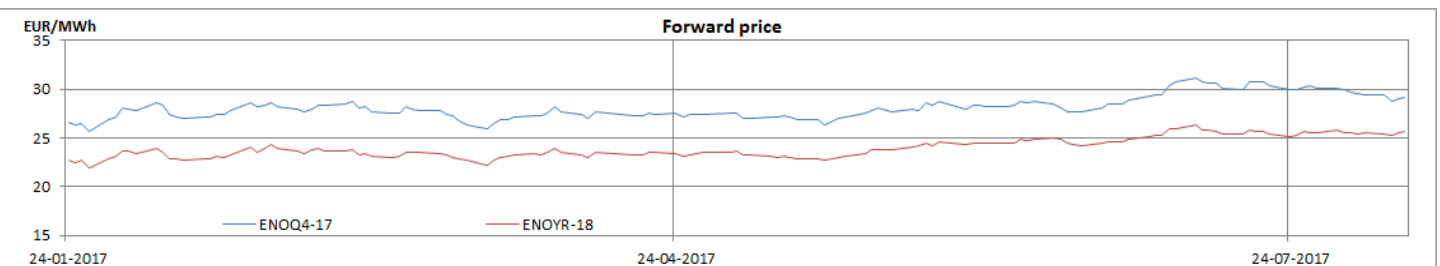
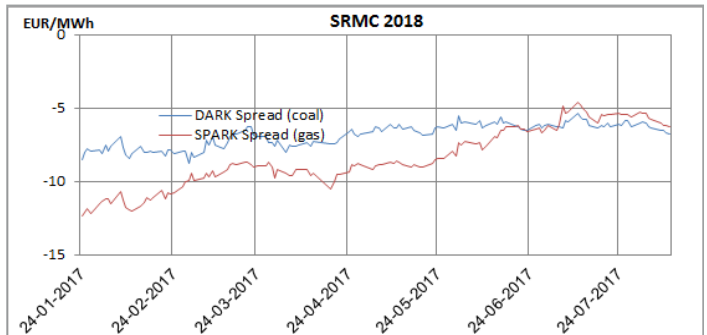
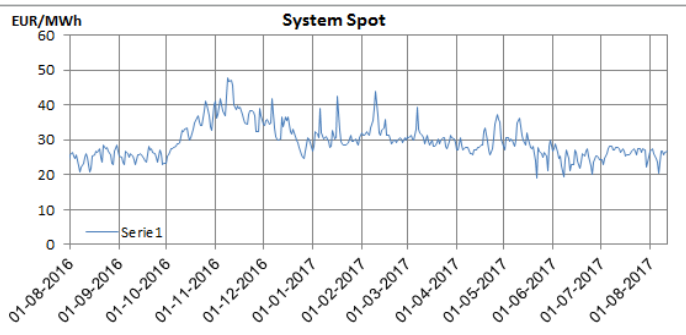
Geopolitical concerns are currently the big topic on the international stock markets, where traders are avoiding all sorts of risks until the situation calms again. This led to a bearish day in both Europe and the US, with most indexes down 1 % or more.

Conclusion



Yesterday, the Nordic power market was once again slightly bullish. The weather forecasts were a bit drier, but still wetter than average, meaning that the market was reluctant to trade a lot up. The Q4-17 contract rose 0,05 EUR/MWh, settling at 29,10 EUR/MWh. On the long end of the curve, the upside on the coal markets and in Germany caused the YR-18 contract to gain 0,15 EUR/MWh, settling at 25,65 EUR/MWh. We expect falling prices Friday as well, as the long-term forecasts are wet and the fuel markets will probably see a downside.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
09-aug	27,27	27,49	27,49	27,49	40,23	25,24	25,80	August	33,03	37,10	37,35	37,60	38,30	28,09	29,10	August	35,27	30,73	68,63
10-aug	35,09	35,09	34,90	34,90	38,32	25,86	26,56	Q4-17	27,50	30,03	29,13	29,50	32,13	26,85	26,75	Q4-17	34,75	33,09	67,19
11-aug	37,73	37,73	36,46	37,32	38,22	26,02	26,80	2017	27,80	29,58	27,75	27,93	32,13	25,30	25,65	2018	32,41	31,88	67,19



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