

Expectation

- Oil** ➔

Oil prices fell on Thursday on doubts about growth of demand for fuel and reversing some of the strong gains from the previous session. The Brent front month dropped 1,56 USD/bbl to settle at 78,18 USD/bbl. This morning oil claws back some of its losses from the previous session. Prices remain well supported as the market continues to worry about ongoing structural supply issues and we expect the market to be neutral today.
- Gas** ⬇

Prompt prices in the European gas markets saw further relaxation yesterday and ticked down as Norwegian flows improved in general despite some temporary restrictions due to technical issues. Further out on the price curve contracts initially stayed in the range of previous closings, but slid once again later in the session as the emissions market set the direction for the wider energy complex. The NCG and TTF Win-18 contracts dropped around 0,70 EUR/MWh to close the day a little above 27,00 EUR/MWh. The recent sentiment drives prices further down upon market opening today.
- Coal** ⬇

Also the European coal market initially made an attempt to bounce and recover some of Wednesday's losses. Some supporting signals came from the Asian-Pacific market where activity was reported to be low as usual when entering the shoulder period between winter and summer season but supply of higher grade Australian material is rather tight at the moment. But in the later session the market couldn't hold onto that direction as slumping emissions and power prices weighed on the sentiment. The API2 Cal-19 contract settled at 94,95 USD/t, down 0,78 USD/t on the day.
- Carbon** ⬇

The Dec-18 price dropped heavily yesterday to a closing at 18,90 EUR/t (-4,05 EUR/t on the day). This is more than interesting. If the Dec-18 price is evaluated against fundamentals, the difference between models and the market is an argument that the market is too low. If price changes are evaluated from a pure trading perspective, excessive price rises into overbought territory had to end with a solid pullback. We expect profit taking and some unidentified reasons as to why the market crashes and we expect some continued downward adjustment today.
- Hydro** ↗

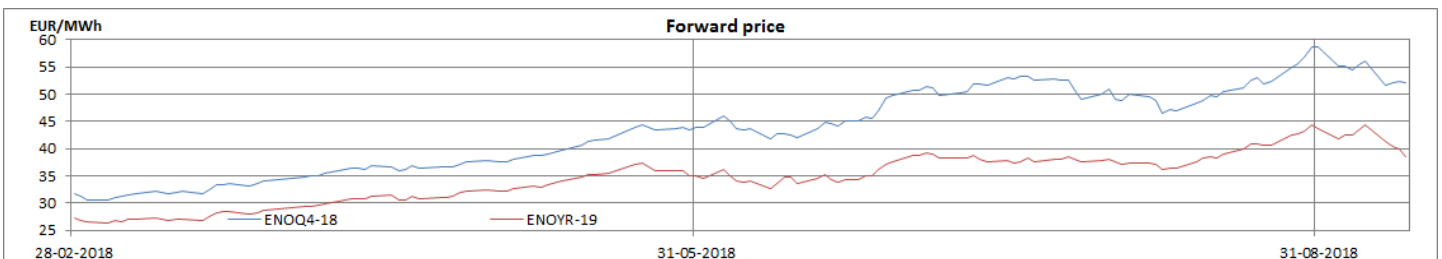
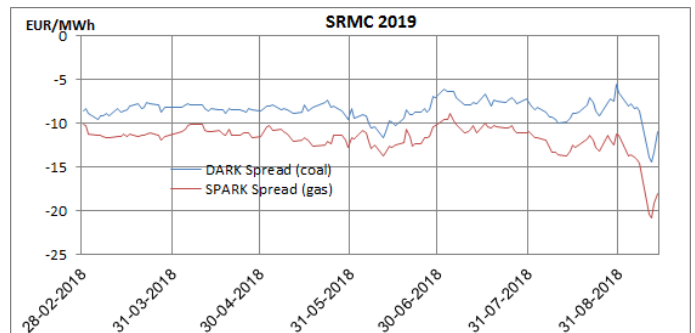
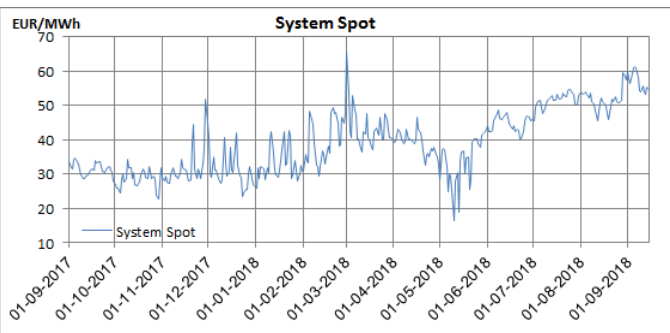
While this week's precipitation delivers rather high results and low pressure activity should remain over the weekend into the start of next week, forecasts beyond that tend to drier developments again. Next week high pressure influence is forecast to strengthen and giving warmer and drier conditions, while lows might be kept to the west and pushed north. During days 11 to 15 cooler conditions might occur with a high strengthening, but low precipitation is expected as well.
- Germany** ⬇

The German power market faced another session with a proper downwards correction yesterday. The Cal-19 contract last traded on the EEX at 50,85 EUR/MWh, down a full 3,95 EUR/MWh compared to Wednesday's session end. Once again slumping emissions prices set the tone and weighed heavily on the sentiment. This move obviously hasn't reached its full extent yet as the market opens today with another drop, the Cal-19 is traded at around 48,00 EUR/MWh at the time of writing.
- Equities** ➔

Yesterday European indices ended mixed but the U.S. S&P 500 went green. Today Asian markets are in green so our humble expectation is a slight increase in equity valuation as a whole. The sentiment in Asia might be improved because fresh talks between China and U.S. In Europe, there are mixed signals from Brexit talks, the ECB did not make any changes for monetary policy. The U.S. inflation numbers were lower than anticipated. We expect changes to be minor today.
- Conclusion** ⬇

Also the Nordic power market attempted to stage a bounce back yesterday as prices ticked up again after heavy losses during this week. From a fundamental perspective drier weather forecasts supported this move on the short end of the price curve, but it also seemed the market is more than nervous at the moment as high volatility was paired with illiquidity. The uncertainties were also fuelled by the Nasdaq suspending a member for incapability of complying with margin requirements and closing out open positions on Tuesday. Details as to how this unwinding was executed are unknown though. The Q4-18 contract slipped 0,15 EUR/MWh to a closing at 52,10 EUR/MWh. YR-19 lost a more pronounced 1,49 EUR/MWh to close at 38,51 EUR/MWh. The slide continues this morning.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
12-sep	52,75	53,17	53,17	53,17	53,88	52,20	53,07	August	55,90	58,25	58,25	58,25	57,50	52,05	52,00	August	51,58	59,53	68,63
13-sep	69,58	69,58	56,98	67,37	56,98	53,67	55,23	Q4-18	52,88	55,60	53,85	55,10	55,93	52,10	52,10	Q4-18	51,42	62,79	91,61
14-sep	62,33	62,33	57,86	61,63	57,91	53,18	54,80	2019	43,39	45,09	40,51	41,81	43,89	38,46	38,51	2019	49,53	56,58	91,61



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