

Expectation

Oil



There were no noticeable fluctuations on the oil market yesterday. Early in the day, the market edged slightly down, but the sentiment turned a bit more positive later in the day. Trade talk optimism and prospects of reduced supply from OPEC and Russia continue to offer bullish support to the market, although signals of a general economic slowdown during 2019 limits the upside. The Brent front month contract closed yesterday at 61,68 USD/bbl, up 0,24 USD/bbl for the day. We expect another day with sideways trading today.

Gas



Supply is currently very strong on the European gas markets. Both flows from the Norwegian gas fields and LNG supply from other parts of the world have ramped up, and this currently overshadows the bullish effects of the cold weather forecasts on the gas markets. Yesterday, the NCG Cal-20 contract edged down for a second straight day, closing at 20,38 EUR/MWh, 0,09 EUR/MWh lower than Wednesday.

Coal



On the European coal markets, we have seen an improvement during this week after prices reached a nine-month low earlier in 2019. The weather forecasts suggest temperatures well below average in most of Northern and Western Europe during the remainder of January, and this overshadows the bearish support which the market continues to receive from China. We see more upside on the market today.

Carbon



Thursday was a quiet day on the European market for carbon emissions. The bullish sentiment from last year seems to have disappeared a bit, as the market has edged down around 10 % since New Year, but we did avoid further losses yesterday however. The benchmark quota contract closed at 22,11 EUR/t, largely unchanged from Wednesday. Friday opens bullishy.

Hydro



Since yesterday, the Nordic weather outlook has turned even cooler and drier compared to yesterday. Precipitation is expected at less than half of seasonal normal during the second half of January, and temperatures will likely fall to around 5 degrees below average during large parts of this period. The new forecasts offer bullish support to the Nordic power market early Friday.

Germany



The German power market received mixed signals in Thursday's trading. The input from the fuel markets varied a bit during the day, and there were no noticeable changes to the weather forecasts that could lead to any fluctuations on the long end of the power market either. The country's Cal-20 contract therefore closed at 47,50 EUR/MWh. We expect a bullish day Friday.

Equities



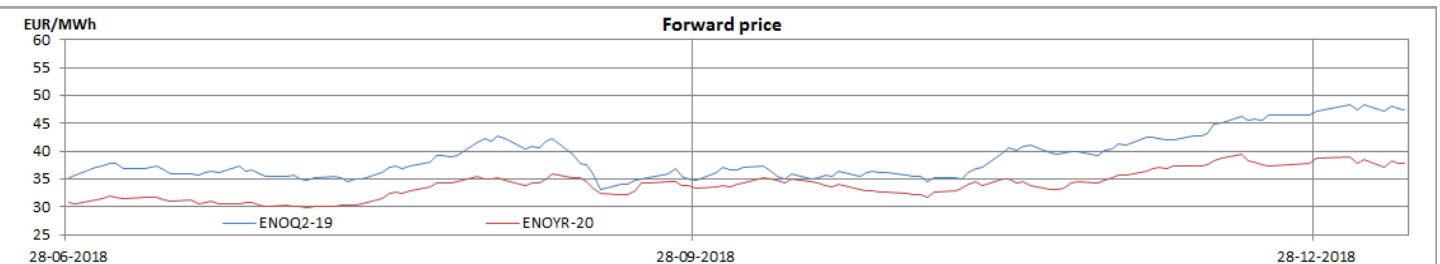
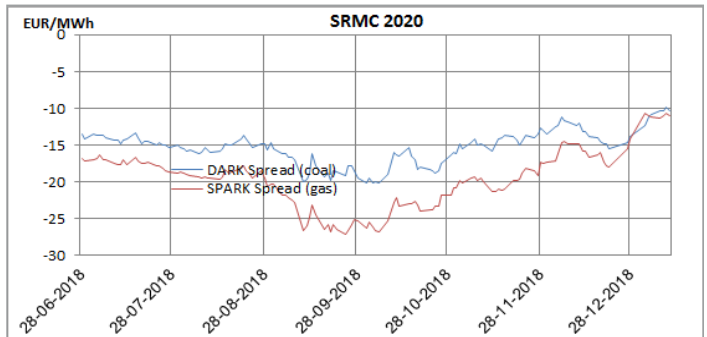
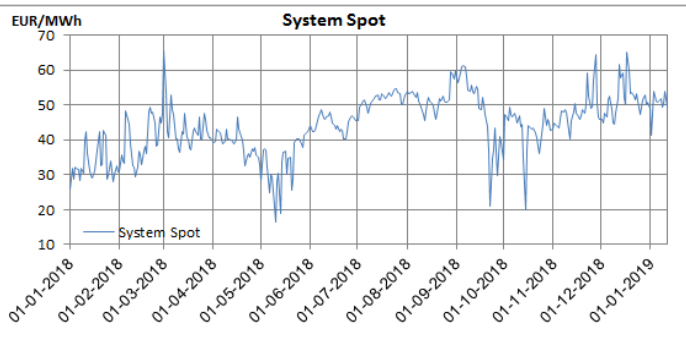
Yesterday, the European stock markets edged a bit back down, due to nervousness that we do not receive any further positive news from the trade talks between the US and China. The sentiment did however turn positive later in the day, and Friday opens bullishy as well, as all eyes are on the talks in Beijing ahead of the weekend.

Conclusion



Both the Q2-19 and the YR-20 contracts on the Nordic power market edged slightly down yesterday, as they closed the session at 47,40 EUR/MWh and 37,75 EUR/MWh respectively. There was bearish support from the spot market, where prices turned out lower than expected, but apart from that, there were no signals from neither the weather forecasts nor the fuel markets that could lead to any noticeable movements. Today, we could see rising prices, at least on the short end, as the weather forecasts for the remainder of January have turned even cooler, while the fuel markets look set for a bullish day.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
09-jan	40,18	40,18	50,07	50,07	58,12	50,47	50,31	February	55,94	58,89	61,64	63,04	63,89	59,89	59,64	February	48,76	52,86	68,63
10-jan	59,59	67,92	59,51	64,64	59,62	59,59	53,80	Q2-19	49,60	50,78	48,80	50,43	51,90	47,35	47,40	Q2-19	48,61	47,80	93,58
11-jan	48,90	50,47	49,49	49,49	51,46	49,88	49,31	2019	43,20	44,55	39,83	41,15	42,23	37,70	37,75	2020	48,12	48,67	93,58



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