

Expectation

Oil



Thursday, the crude oil market retreated a bit after reaching a year-high level during the previous day. The Brent front month contract closed at 70,83 USD/bbl, down 0,90 USD/bbl for the day. As prices have increased steadily over the last months, demand has started to fade a bit, and the market also receives bearish support from a very high production level in the US, where the most recent data showed another increase in stock levels. We expect a minor upturn in Friday's session.

Gas



Prices just keep on rising on the European gas markets, which has responded very bullishly to the most recent gains on the related fuel and carbon markets. Yesterday, the NCG Cal-20 contract was up another 0,12 EUR/MWh, settling at 21,03 EUR/MWh, the highest price level since January. The upside is strengthened by expectations that the LNG rally to Europe could slow down later this year. Another bullish day seems likely Friday.

Coal



The European coal market has also edged up lately as a part of the general rally across the fuel markets. Coal supply in the Atlantic area is tightening, as producers are increasingly shipping their coal to other parts of the world. The huge price rally on the carbon market could very well cause the coal market to edge even higher in the nearest future.

Carbon



Thursday, the European carbon emission market continued the sky-rocketing sentiment from the last couple of weeks. The benchmark quota contract settled at 27,32 EUR/t, up 1,19 EUR/t from Wednesday. Brexit was officially postponed until October late Wednesday night, and the overall feeling on the market is just bullish right now. The market should continue upwards today.

Hydro



As we approach the weekend, the Nordic weather forecasts project extremely dry conditions for at least one more week from now on. Around the end of week 16, we could see the high pressure disappear, and temperatures and precipitation amounts will possibly increase. The hydro balance deficit is still rising, and this offers bullish support to the Nordic power market.

Germany



On a day where the rally continued on both the carbon, gas and coal markets, the German power market was also set for further gains. The country's Cal-20 contract rose another 1,25 EUR/MWh, settling at 51,25 EUR/MWh. It has now increased by around 12,5 % in less than two weeks due to the sky-rocketing fuel and carbon markets, and we expect the upturn to continue without a halt today.

Equities



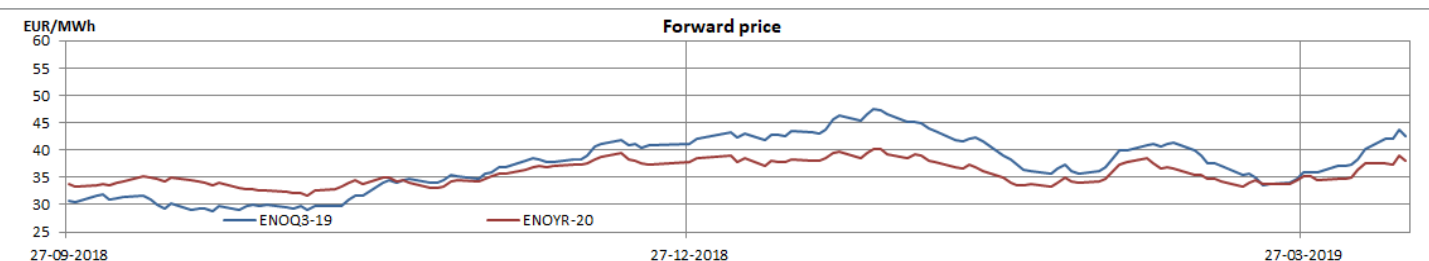
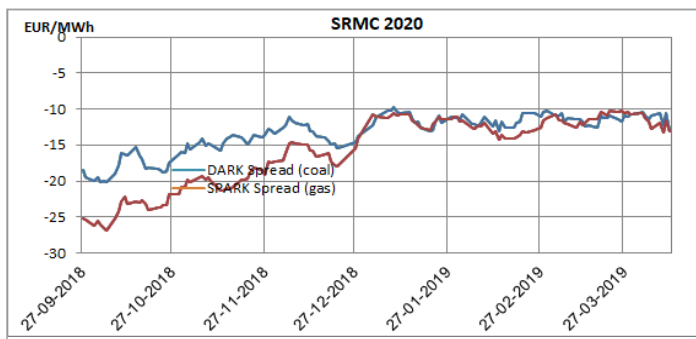
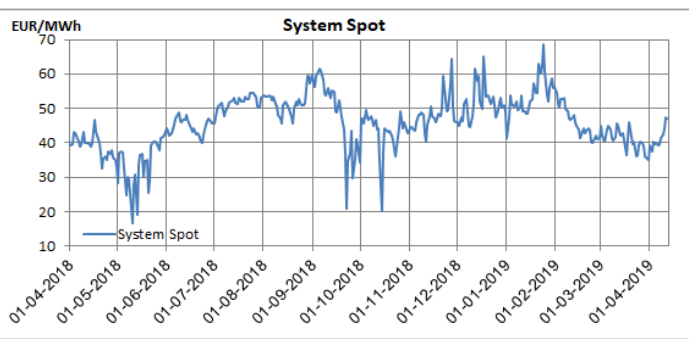
There were no noticeable fluctuations on the European stock markets yesterday, and the neutral sentiment continued later in the day in the US. Early Friday, the markets are a bit up in Asia, on a day where focus will be on financial statements from US banks and on key figures on industrial production in Europe.

Conclusion



After a lot of bullish days in a row, the Nordic power market saw a noticeable downwards correction yesterday. Wetter weather forecasts and a feeling that the market was overbought caused the Q3-19 contract to fall 1,35 EUR/MWh to 42,45 EUR/MWh, while the YR-20 contract was down 0,97 EUR/MWh, settling at 37,93 EUR/MWh. Friday, we expect the market to return to the bullish sentiment. The carbon market continues to rise, and it adds to the upside that the forecasts project the dry conditions to last longer than previously anticipated.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
10-apr	43,61	43,82	43,59	43,77	43,59	44,06	44,09	April	43,63	44,65	42,55	42,55	45,85	41,75	41,80	April	48,33	41,20	88,25
11-apr	47,47	47,83	47,79	47,79	47,90	46,87	47,29	Q2-19	48,05	48,88	45,18	46,20	48,45	42,58	42,45	Q2-19	49,42	42,94	0,00
12-apr	46,60	46,74	46,63	46,65	53,53	46,38	47,01	2019	42,71	45,08	39,63	41,21	41,98	38,03	37,93	2020	51,08	51,05	0,00



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