

Expectation

Oil



Prices continued to climb on the international crude oil markets yesterday. Saudi Arabia has changed its energy minister, and the new man in charge has indicated that the country is looking to extend its oil production cuts to avoid falling prices. The market responded to this with an upturn yesterday, with the Brent front month contract rising another 1,05 USD/bbl, settling at 62,59 USD/bbl. The steady upturn continues Tuesday.

Gas



Monday, we saw rising prices on the European gas markets, both on the short and the long end of the curve. Flows from Norway were down due to maintenance work, causing a relatively big price jump on the spot market, and the long end of the curve also edged up, as part of an overall positive sentiment on the fuel markets.

Coal



European coal prices continued upwards yesterday on a market, where the bearish sentiment appears to have disappeared at least temporarily. Demand has improved slightly in both Asia and Europe, and stock levels at the big European terminals have dropped to a six-month low. The API 2 Cal-20 contract climbed another 0,40 USD/t yesterday, closing at 66,23 USD/t.

Carbon



The European market for carbon emissions continues to trade just above the 25 EUR/t-mark, which has served as a technical barrier during the past summer. Auction supply has improved this week, but not enough to cause the market to drop further, with bullish gas and coal offsetting the bearish sentiment. The benchmark carbon contract closed at 25,02 EUR/t, down 0,06 EUR/t against the previous close. Another sideways day seems likely today.

Hydro



Since yesterday, we have received some moderately wetter weather forecasts for the coming weeks, with a low pressure expected to offer high amounts of precipitation late this week. The hydro balance is meanwhile set to improve and is expected just around 0 in two weeks' time. The outlook is slightly bearish for the bearish power market.

Germany



There were mixed signals on the German power market yesterday, with the country's Cal-20 contract up a marginal 0,15 EUR/MWh, closing at 47,80 EUR/MWh. The sudden gains on the coal market offered bullish support, but falling prices on a carbon market where supply is increasing outweighed this. Today, we expect another minor increase.

Equities



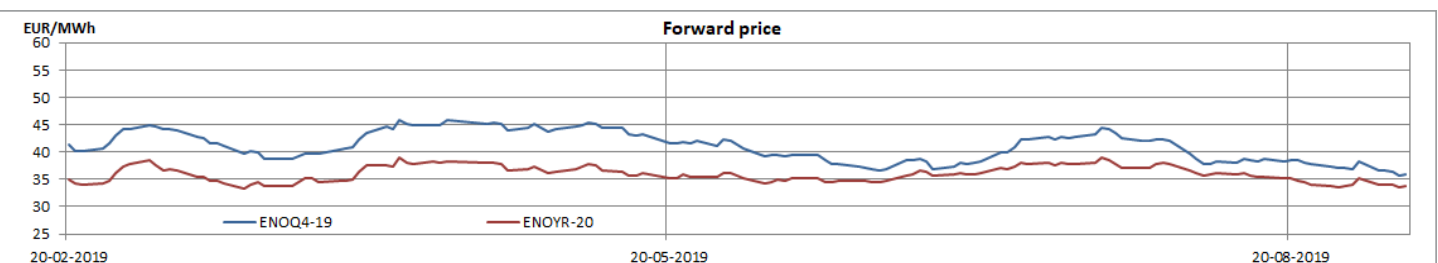
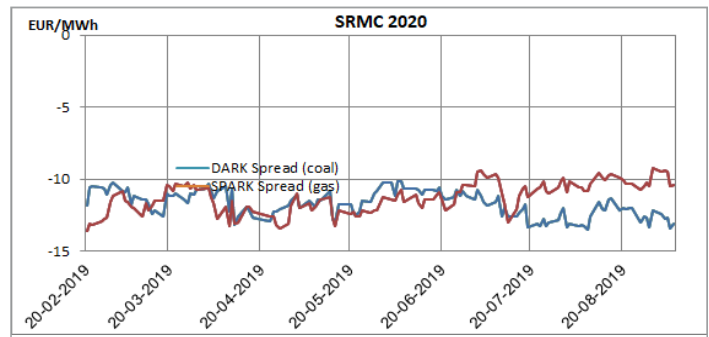
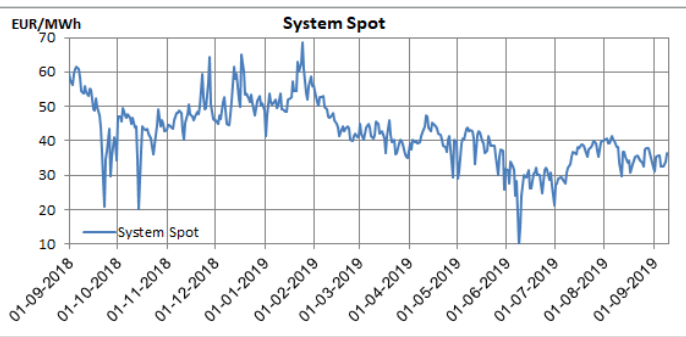
On the European stock markets, Monday started bullishly, but the positive sentiment was lost during the day, and both the US and the European markets closed the day more or less neutral. The market remains nervous about a potential global recession, but the most important indexes avoid further losses at least for now.

Conclusion



Over the weekend, we had received drier weather forecasts in the Nordic area, and the Nordic power market had to account for this Monday. It added to the bullish sentiment, that the coal market and the German power market edged up as well. The Nordic Q4-19 contract ended up climbing 0,50 EUR/MWh to 36,35 EUR/MWh, while the YR-20 contract was up 0,16 EUR/MWh, settling at 33,90 EUR/MWh. Tuesday, we expect a minor downwards adjustment, but since the coal and carbon markets could remain strong, the losses will likely be centred around the short end of the curve.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
08-sep	36,87	37,48	35,29	36,83	45,36	31,39	34,06	August	39,43	41,03	35,50	38,50	44,50	34,00	34,00	August	44,89	33,72	82,47
09-sep	45,51	45,58	39,26	45,37	61,47	32,59	36,48	Q4-19	41,40	42,98	37,59	39,65	46,55	36,35	36,35	Q4-19	45,08	40,13	0,00
10-sep	36,82	37,70	35,12	37,46	53,66	31,69	34,35	2020	40,28	41,58	35,73	37,23	42,40	34,03	33,90	2020	46,90	44,19	0,00



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