

Expectation

Oil



On the crude oil market, the upturn came to an end yesterday following some bullish sessions leading up to Tuesday. The market continued to receive bullish signals, such as key figures showing a decrease in US stockpiles, but the fears of an upcoming drop in global demand offset the upside. At the end of the day, the Brent front month contract was down a marginal 0,21 USD/bbl, closing at 62,38 USD/bbl. We expect a rebound Wednesday.

Gas



The big news on the European gas markets yesterday was the announcement from the Dutch government, that they will stop gas production at Europe's largest gas field, the Groningen field, from 2022. Until then output will be heavily reduced. This, combined with nuclear fears in France, led to a massive price jump on the gas markets, with the NCG Cal-20 contract up 1,29 EUR/MWh, closing at 18,95 EUR/MWh, the biggest day-to-day gain for the contract this year.

Coal



The European coal market edged up further in yesterday's session. Apart from the existing bullish signals, the market reacted sharply to the fears, that new safety checks on the French nuclear fleet could lead to shutdowns of reactors across the country. It added to the upside that the gas markets were fiercely bullish due to the gains on the related gas markets. We expect the upturn to continue today.

Carbon



Tuesday, the European carbon markets traded up quite significantly as well. With the fears of nuclear shutdowns in France and reduced gas production during the coming years striking the market at the same time, coal could suddenly become a more important energy source. As a result of this, the benchmark carbon contract rallied to 26,72 EUR/t, 1,70 EUR/t higher than the previous close.

Hydro



Expected precipitation in the Nordic area during the forthcoming ten days is more than twice as high as seasonal normal. Low pressure weather is set to dominate throughout most of the period, but since the outlook is still not wetter than what was forecasted yesterday, it should not offer any noticeable bearish support to the Nordic power market Wednesday.

Germany



During the very eventful Tuesday, it was no surprise to see the German power market react very bullish to the news of both extended safety checks on the French nuclear reactors and the shutdown of the Dutch Groningen gas field from 2022. The German Cal-20 contract jumped a massive 2,80 EUR/MWh as a result, closing at 50,50 EUR/MWh. We expect another bullish session today, although not as extreme as yesterday.

Equities



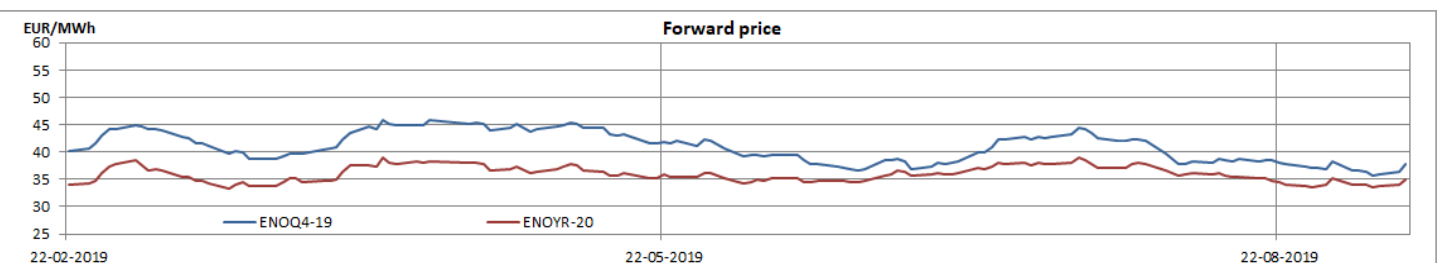
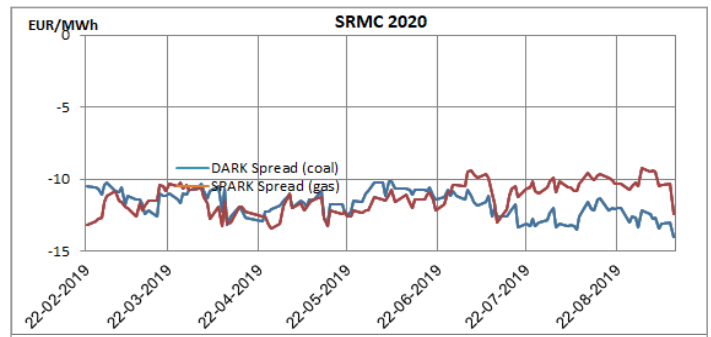
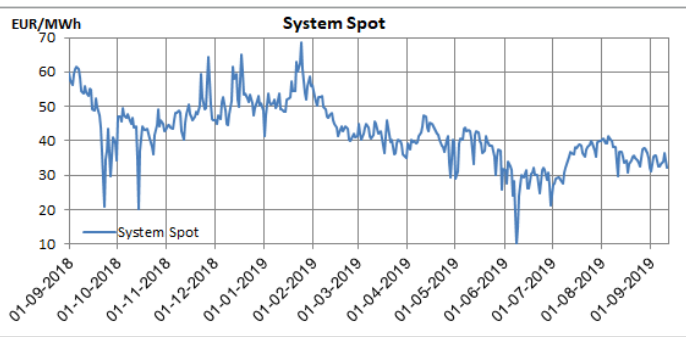
We saw moderately rising stock markets most places yesterday, with the European Stoxx600 Index up 0,10 %. There are no major events scheduled for the coming days, so focus on the markets will likely be on the British Brexit negotiations. The first signals from the Asian markets early Wednesday point towards a bullish session.

Conclusion



Yesterday opened bearishly on the Nordic power market, but the sentiment changed completely due to the important news from the energy markets and the subsequent big price jump on the German power market. This affected the Nordic power market as well, with the Q4-19 contract up 1,45 EUR/MWh, closing at 37,80 EUR/MWh, while the YR-20 contract rose 1,10 EUR/MWh to settle at 35,00 EUR/MWh. Wednesday, we expect the market to continue upwards, as the big gains in Germany yesterday have not been fully accounted for yet.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
09-sep	45,51	45,58	39,26	45,37	61,47	32,59	36,48	August	41,30	43,10	36,90	40,15	44,90	35,40	35,40	August	47,33	38,60	80,96
10-sep	36,82	37,70	35,12	37,46	53,66	31,69	34,35	Q4-19	43,73	45,25	39,15	41,23	46,80	37,80	37,80	Q4-19	47,55	44,90	0,00
11-sep	33,93	34,81	33,69	33,87	46,91	29,64	32,32	2020	42,00	43,15	36,80	38,33	42,90	35,13	35,00	2020	49,01	47,45	0,00



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