

## Expectation

- Oil

Yesterday, international crude oil prices rose to their highest level in almost three months, with the Brent front month contract closing at 44,34 USD/bbl, 0,59 USD/bbl above the previous close. Although an OPEC meeting Tuesday ended without any agreements, there is confidence on the market that the countries' will agree on extending their current output cuts to make up for the corona virus-caused decrease in demand. The market opens slightly bearishly today.
- Gas

Strong flows from Norway, combined with a mild and windy weather outlook, caused the short end of the European gas markets to trade down yesterday. There are no signs that a noticeable weather change is on the way, so gas demand could very well remain low throughout the rest of 2020. Lower LNG imports does offset this to some extent however.
- Coal

We still see some supply tightness on the European coal market. China has stopped importing coal from Australia, something which has changed the global dynamics and added a bullish sentiment to the European markets. It adds to the upside, that the Colombian strike issues continue, although the losses on the related markets limited the upside in Europe yesterday.
- Carbon

The big news on the European carbon market yesterday was the announcement from the European Commission, that allowance auctions for 2021 have been delayed until at least the end of January. The market reacted bullishly to this and prices were up more than 1 EUR/t early in the morning, before easing later in the session. At the end of the day, the benchmark contract closed at 27,19 EUR/t, 0,55 EUR/t higher than the previous day. A downwards adjustment seems likely today.
- Hydro

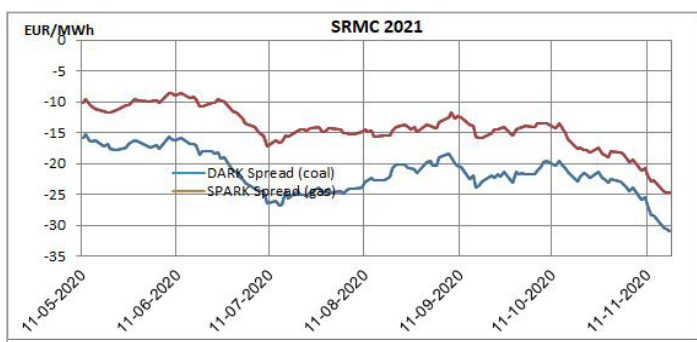
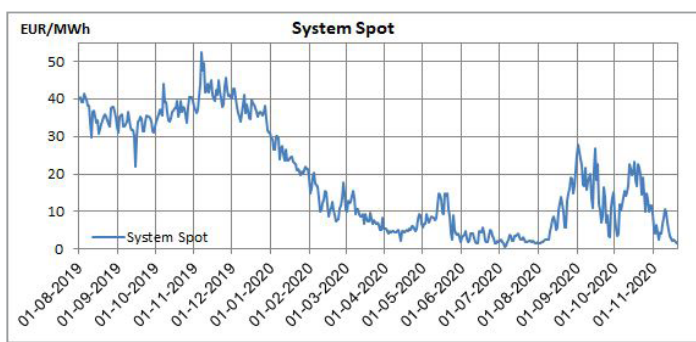
The most recent weather forecasts indicate, that we will see cooler and drier conditions from next week in the Nordic area, although the level will likely remain warmer and wetter than seasonal average. In total, expected precipitation in the 10-day forecast is still almost twice as high as seasonal normal, so the bullish effect of the recent outlook for the Nordic power market is limited.
- Germany

German power prices received mixed signals yesterday, with falling gas prices being overshadowed by the bullish sentiment on the German power market. The country's Cal-21 contract ended up closing at 39,46 EUR/MWh, up 0,11 EUR/MWh compared to the previous day. We expect falling prices Thursday.
- Equities

Wednesday was a rather quiet day on the international stock markets, with traders considering the current situation, with increasing lockdown measures and hopes of an upcoming vaccine. The European markets ended up rising slightly, while the US markets fell later in the day. The Asian markets open with a bearish sentiment Thursday.
- Conclusion

Initially, the Nordic power market traded up yesterday due to the sudden increase on the carbon emission market. Later in the day however, prices started falling once again, and both the Q1-21 and the YR-21 contracts ended up closing largely neutrally, at 13,25 EUR/MWh and 13,18 EUR/MWh respectively. Today, we once again see slightly drier and cooler weather forecasts, but it is likely not enough to push prices upwards as the outlook is still much wetter and milder than usual, while the German power market falls as well. Another largely neutral or bearish session therefore seems likely.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
17-nov	2,40	36,00	7,75	36,00	12,14	1,35	2,16	December	23,32	27,82	21,32	28,32	30,92	8,22	8,32	December	43,61	39,63	62,30
18-nov	0,99	30,83	6,90	30,83	30,30	0,99	2,01	Q1-21	16,63	17,38	26,75	31,25	37,00	13,15	13,25	Q1-21	43,77	39,99	0,00
19-nov	1,05	17,12	14,99	17,12	23,56	1,05	1,44	2021	33,23	36,91	26,56	30,93	37,18	13,18	13,18	2021	44,20	37,86	0,00



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