

Expectation

Oil



Tuesday, the rally on the international oil market continued. The Brent front month contract climbed another 1,80 USD/bbl, closing at 47,86 USD/bbl, the highest price level since the pandemic took pace back in March. The hopes of an upcoming corona virus vaccine have really caused some optimism that demand will rebound soon, and the market continues to rise on this sentiment early in Wednesday's session.

Gas



Although the supply situation in Europe has improved, with higher flows from Norway and rising LNG import from other continents, the European gas markets continued upwards yesterday. The strong bullish support from the oil market and the overall optimism across the markets weighed heavier, and it could very well continue today.

Coal



Apart from the overall corona virus vaccine related optimism that surrounds the markets right now, the European coal market was also affected by ongoing supply concerns yesterday. The strike in Colombia continues, and the Chinese restrictions on Australian coal also cause rising prices in Europe. The API 2 Cal-21 contract rose to 58,51 USD/t, and has now gained around 10 % in a matter of two weeks.

Carbon



European carbon prices followed the fuel markets upwards yesterday. The market has responded bullishly to both technical signals and to the rising fuel prices lately, with the benchmark contract yesterday settling at 27,63 EUR/t, 0,38 EUR/t above the previous close, and continues to climb early in Wednesday's session.

Hydro



In the Nordic area, the wet and mild conditions are set to end within the next few days, and high pressure weather with low precipitation and low temperatures will take over. This outlook is confirmed early Wednesday, and should continue to offer bullish support to the Nordic power market throughout the day.

Germany



Tuesday was another day with gains on the German power market, powered by the bullish sentiment across the fuel markets and on the carbon emission market. The country's Cal-21 contract rose another 0,40 EUR/MWh, closing at 39,71 EUR/MWh. Wednesday, we consider further gains as the most likely scenario.

Equities



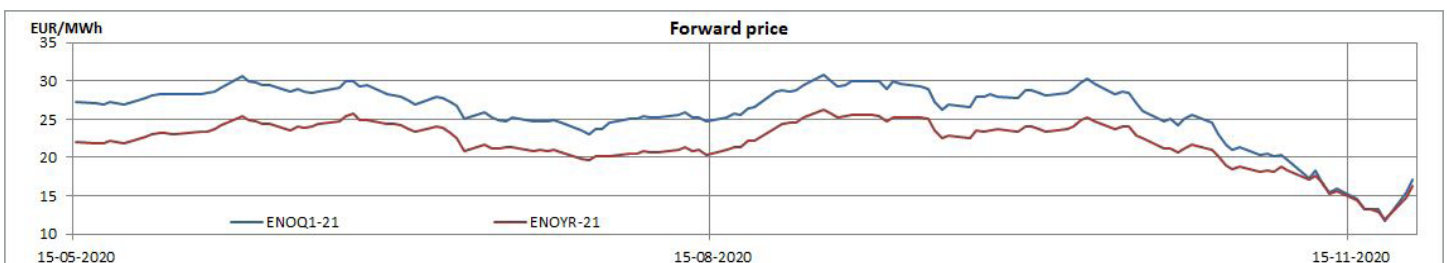
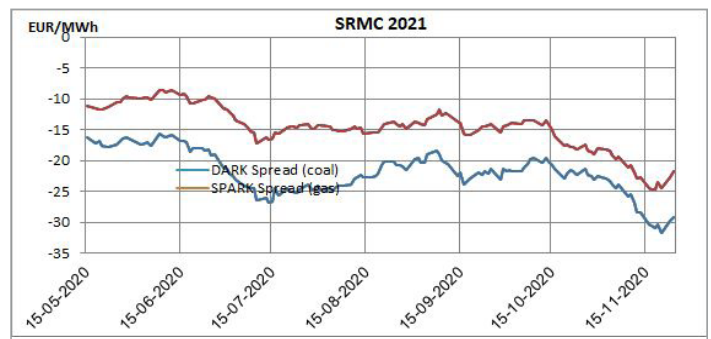
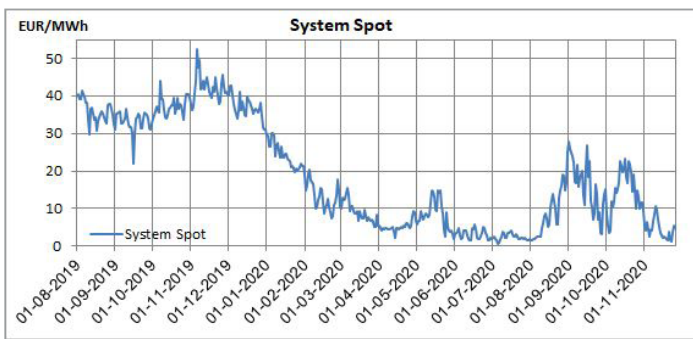
The sentiment remained bullish on the international stock markets yesterday, due to corona virus vaccine optimism and a sense that the tensions regarding the US election could be easing. We are heading for the strongest month ever in the history of the European Stoxx600 Index and the markets continue up Wednesday.

Conclusion



Yesterday, the cooler and drier weather forecasts for the Nordic area were confirmed, and this caused rising prices on the Nordic power market. The bullish sentiment on the fuel and carbon markets added to the sentiment, with the Q1-21 contract closing at 17,10 EUR/MWh, 1,75 EUR/MWh above Monday's close, while the YR-21 contract was up 1,55 EUR/MWh, settling at 16,25 EUR/MWh. The market seems ready to continue up today, as the weather change is confirmed, and the German power market and fuels, carbon continue up as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
23-nov	10,08	28,11	9,49	28,11	23,67	1,99	3,81	December	25,13	29,75	22,83	30,50	33,00	11,40	11,50	December	45,20	40,36	62,30
24-nov	4,82	26,19	6,26	26,19	33,90	2,61	5,36	Q1-21	20,48	21,23	30,23	32,60	40,60	17,00	17,10	Q1-21	45,36	40,54	0,00
25-nov	14,80	36,87	6,83	36,16	20,78	2,19	4,90	2021	34,04	36,88	27,75	31,75	38,75	16,25	16,25	2021	45,42	38,02	0,00



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.