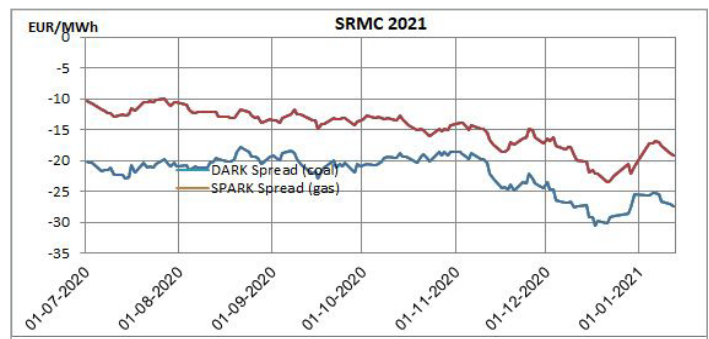
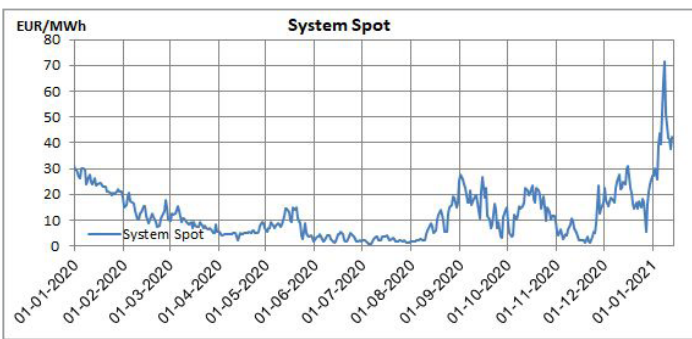


## Expectation

- Oil** Early Wednesday, the crude oil market continued the uptrend from the previous days, with a bigger-than-expected decline in US inventories adding to the hopes of a rising demand at some point during 2021. The upturn was halted later in the day, possibly because of new very high corona virus figures from the US. The Brent front month contract ended up settling at 56,06 USD/bbl, 0,50 USD/bbl lower than Tuesday. We expect another bearish session today.
- Gas** Following several days with sharp gains on the European gas markets, we saw a noticeable downwards correction yesterday. Milder weather forecasts for both Europe and Asia limits demand expectations and eases fears of LNG supply. Higher temperatures in Asia could potentially mean that Europe would start to get back some of the global LNG market shares, that have been led to Asia recently. Today, the market appears to return to the bullish sentiment.
- Coal** On a day with milder weather forecasts and bearish influence from the related markets, the European coal market edged down as well Wednesday. The API 2 Cal-22 contract fell 0,95 USD/t, settling at 72,25 USD/t. Apart from the milder weather, the losses were also attributed to profit-taking among traders following the recent uptrend.
- Carbon** The apparent sell-off and profit-taking on the market affected the European carbon market as well yesterday, with the benchmark contract retreating from the all-time highs reached earlier in the week, closing the day at 33,65 EUR/t. Technical signals have turned bearish, and the market now struggles to find foothold around 35 EUR/t. Today, the market opens with further losses.
- Hydro** There does not appear to be any major changes to the Nordic weather outlook today, which follows the same pattern as yesterday, a relatively mild and wet period early next week, followed by some cool and dry days at the end of the week. The outlook is rather similar to what was forecasted yesterday, and should not offer any clear direction to the Nordic power market today.
- Germany** Losses on both the carbon, coal and gas markets, led to a bearish sentiment on the German power market as well Wednesday, where the country's Cal-22 contract fell 1,23 EUR/MWh, settling at 50,50 EUR/MWh. Temperatures are set to remain below average for the coming time, but this was not enough to prevent losses yesterday. Today, we expect a more neutral session as the signals from the fuel and carbon markets are rather mixed.
- Equities** Yesterday, the sentiment on the European stock markets changed a couple of times, but the leading Stoxx600 Index closed with a minor increase of 0,11 %, partly because of new strong key figures on industrial production. In the US, we saw an increase as well later in the day, and the first signals from Asia early Thursday are rather neutral.
- Conclusion** The Nordic power market, and especially the short end of it, took a sudden plunge yesterday amid milder and wetter weather forecasts, falling fuel and carbon prices and losses on the German power market. The Q2-21 contract fell 2,75 EUR/MWh to 27,75 EUR/MWh, while the YR-22 contract was down 1,55 EUR/MWh, settling at 26,40 EUR/MWh. Today, the market looks set for a day with much smaller fluctuations and a largely neutral session seems likely.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
12-jan	43,87	45,37	43,82	45,30	43,82	44,83	37,71	February	53,43	55,43	50,05	53,05	52,10	47,05	46,55	February	55,21	70,62	62,30
13-jan	42,10	42,10	42,10	42,10	51,08	42,10	42,29	Q2-21	45,88	46,75	35,75	38,00	43,90	30,75	30,50	Q2-21	54,98	49,17	0,00
14-jan	70,41	72,10	71,95	72,10	77,37	70,41	68,68	2021	40,45	44,33	30,45	35,80	38,45	29,45	27,95	2022	55,31	47,11	0,00



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