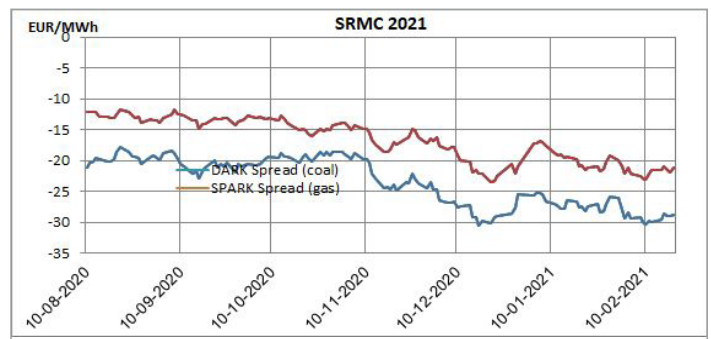
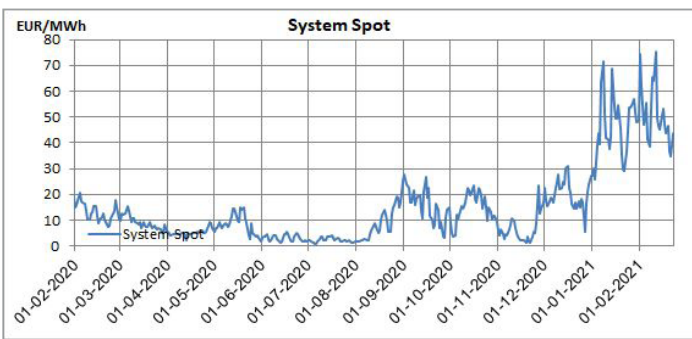


Expectation

- Oil** ↗ For a second straight day, we saw falling prices on the international crude oil markets Friday. There are still big concerns about the pace of demand recovery, as there are no signs that the lockdowns across the western world is about to come to an end anytime soon. Meanwhile, the crisis in Texas is easing, as most homes now have power back, and oil production in the state should improve as well. Monday, the market opens the week with rising prices.
- Gas** ↘ Milder temperatures and improving LNG imports led to a turnaround on the European gas markets yesterday. The low storage levels across the continent are still a bullish signals, with the level around 25 % lower than at the same time last year. However, this was not enough to prevent the market from falling Friday, and we expect further losses today.
- Coal** → After reaching the lowest prices of the year earlier in the week, the European coal market managed to recover a bit in Friday's session. Demand in Europe is decreasing as temperatures rise, but supply concerns regarding both Russia and South Africa overshadowed this, and helped the API 2 Cal-21 contract climb to 65,90 USD/t, 0,30 USD/t above the previous close.
- Carbon** ↗ On the European carbon market, another highly volatile week ended with further losses, as the benchmark contract retreated another 0,92 EUR/t, closing at 37,40 EUR/t. The recent losses have been attributed to both profit-trading among speculative traders and to the much milder weather across Europe which we have seen recently. Monday, the market appears to rebound, but as always, the situation can change quickly on the carbon market.
- Hydro** → Since Friday, the weather forecasts have continued to suggest very mild and wet conditions in the Nordic area for the remainder of the month. The 10-day outlook is around twice as wet as seasonal average, with temperatures expected well above normal as well. The long term forecasts do however indicate cooler and drier conditions starting in the first week of March.
- Germany** ↗ Losses on both the gas and carbon markets were the main price driver on the German power market Friday, where prices continued to fall. The country's Cal-22 contract fell to 51,70 EUR/MWh. There are no signs that German power should stop following carbon anytime soon, and uncertainty is therefore just as high as on the carbon market.
- Equities** ↘ Friday, we saw a rebound on the European stock markets, thereby breaking the longest straight period of losses of the year. The gains were attributed to strong financial statements, but the losses did however continue in the US later in the day. Fears of higher inflation and higher interest rates led to the bearish sentiment, and the first signals Monday are negative as well.
- Conclusion** ↘ The Nordic power market experienced a modest downwards correction Friday, as fluctuations are not quite as big at the moment as we have seen earlier this month. With mixed signals from the weather forecasts, the losses were likely the result of the bearish carbon and German power market. The Q2-21 and YR-22 contract fell to 27,15 EUR/MWh and 26,70 EUR/MWh, and we expect another day of losses Monday, as the weather forecasts are still very wet and mild.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
20-feb	34,05	36,56	36,41	36,56	47,57	36,41	36,48	March	43,28	44,60	38,85	40,35	43,93	36,85	33,85	March	54,91	46,98	62,30
21-feb	32,92	37,30	35,03	37,11	35,03	35,03	34,85	Q2-21	43,30	44,28	33,90	34,65	41,68	28,90	27,15	Q2-21	54,82	45,37	0,00
22-feb	49,48	49,53	45,64	49,35	46,17	42,29	43,51	2022	39,45	42,58	30,33	34,90	37,13	29,05	26,70	2022	55,41	47,87	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.