

## Expectation

- Oil

Oil prices settled yesterday's session largely unchanged. The Brent front month contract added 0,09 USD/bbl to end the day at 73,60 USD/bbl. During the session, prices temporarily turned negative as the U.S. showed a cooling inflation. China's plans to sell around 7,4 million barrels from their strategic reserve on 24 September weighed also on the sentiment. The IEA sees oil demand to rebound in October and growing throughout the end of the year. As U.S. inventories are expected to show a drawdown last week, we could see prices moving higher today.
- Gas

Yesterday the front month contract on the TTF hub continued its record setting, closing at 66,76 EUR/MWh. Despite Russian flows via the Polish-German border at Mallnow showed improvement, overall Russian flows and the ability to increase those further remains uncertain. Demand is still very high in both Asia and in Europe as low storage levels remain. Without further clarity on Russia's supply situation, the market is in for more upside today.
- Coal

Despite estimations that near-term physical supply remains tight, European coal prices slipped yesterday. The API2 Cal-22 contract dropped 1,08 USD/t to settle the session at 128,35 USD/t. With hindsight to extended gains in gas and German power, this points to some profit-taking. But at the same time, the gas sector is set to continue as a key driver for coal as well. Hence, we suspect the market to possibly book some gains today.
- Carbon

With its settlement at 59,85 EUR/t the Dec '21 benchmark contract lost 1,22 EUR/t on the day. During the day, the contract was seen as low as 59,28 EUR/t. The weakness is attributed to continued profit-taking, while coal-fired plants running at high levels. The short-term demand for EUAs might soften a bit in case generators are properly covered for now. Spain was reported to auction off additional permits, but this was quickly shown as being misrepresented. Instead of selling further volumes, additional 900 million EUR from normal auction proceeds will be allocated to support consumers with rising energy bills. We could see some reversal today.
- Hydro

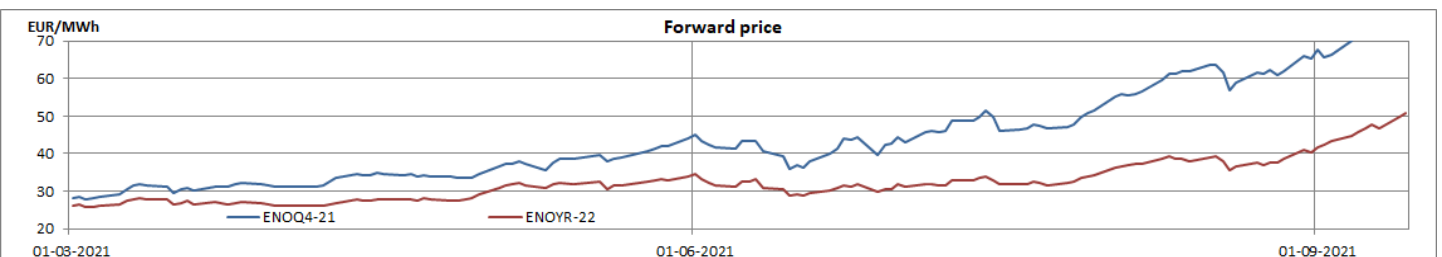
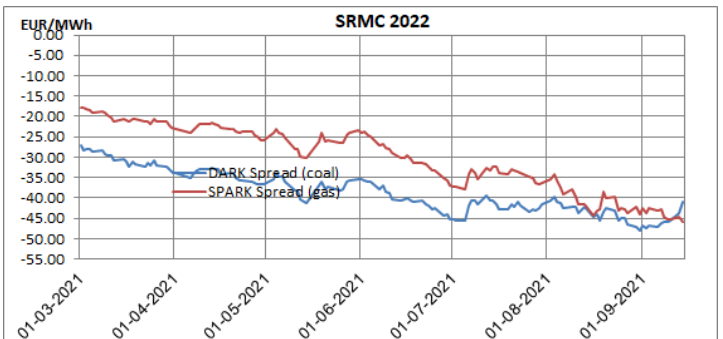
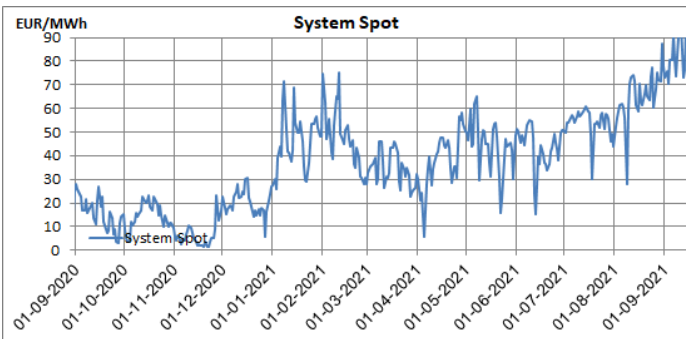
Operational forecasts show that the high pressure is of a blocking nature, not letting in any showers at all today. EC12 is 6 TWh below normal with only 1,2 TWh in precipitation. The ensemble is not that sure about that and stays close to 5 TWh, although it is 0,5 TWh drier than yesterday. The GFS forecasts do agree with a bone dry operational solution, and the only precipitation hitting Scandinavia is from the 26 onwards. Ensembles are seen with more normal endings. The recent situation has made the hydrological deficit to grow to 20 TWh as of today.
- Germany

Yesterday, the day-ahead-auction set Germany's spot price at 168,21 EUR/MWh, the highest in more than 15 years. In combination with surging gas prices, this lent plenty of support for the whole forward price curve. Major gains were once again seen for nearby contracts with the front month adding 11,25 EUR/MWh to close at 140,00 EUR/MWh, while the Q4-21 contract at 140,60 EUR/MWh added 8,85 EUR/MWh. The front year at 101,20 EUR/MWh still increased by more than 2 EUR/MWh.
- Equities

Once again, market prices tend to fluctuate without clear direction, and today it seems that worries about slowing growth expectation are negative for stock indices globally. In Asia, prices are in red today, and we expect this to spread to other markets also. This morning, futures prices indicate small decreases in indices, which supports our view. Inflation news might be the ones to follow for the rest of this week.
- Conclusion

Dry forecasts, low wind contribution as well as surging gas and German power prices remained drivers for the rising Nordic market. The spot price at 108,83 EUR/MWh was also here seen at a new multi-year high. During the afternoon, Nordic power prices slipped a bit from the day highs as some temporary retreat among gas was seen while emissions prices slipped. Still, the Oct-21 contract added 3,70 EUR/MWh to close at 83,13 EUR/MWh. Q4-21 gained 3,90 EUR/MWh to 82,40 EUR/MWh, YR-22 was up 1,15 EUR/MWh to 50,85 EUR/MWh. As gas and German power open strong again, we expect the Nordic market to follow.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
13-sep	140.84	139.20	84.94	138.27	70.44	103.71	76.03	October	125.63	128.63	87.63	118.13	89.78	94.63	83.13
14-sep	143.24	143.24	120.16	142.55	90.02	115.38	95.60	Q4-21	124.40	127.15	86.28	119.40	91.40	99.40	82.40
15-sep	168.21	168.21	137.60	160.36	138.62	113.84	108.83	2022	85.00	91.60	53.40	89.35	66.35	62.15	50.85



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