

## Expectation

Oil



After a very bearish opening to the week Monday, the international oil markets won back the losses in yesterday's session. The situation surrounding Russia and Ukraine escalates on a daily basis right now, and with Russia as one of the world's lead oil producers, a war could have a big impact on the market. Fears of higher interest rates limits the upside however, and the market opens largely sideways Wednesday.

Gas



The European gas market continues to receive mixed signals, as an overall improving supply situation weighs bearishly on the market, but rising fears of a war between Russia and Ukraine offers bullish support. Prices fell early in Monday's trading, before winning back the losses later in the session. All eyes remain on the situation in Eastern Europe, which could have a big impact on the gas market in the coming months. Milder weather offers bearish support Tuesday.

Coal



On the European coal market, the bullish sentiment continued Monday, where the API 2 Cal-23 contract extended the gains from last week. It closed at 113,90 USD/t, up another 1,45 USD/t from Friday, as high demand and ongoing supply tightness, as well as geopolitical tensions are the main reasons behind the uptrend.

Carbon



European carbon prices climbed as well in yesterday's session, following the bullish trend on the fuel markets, with colder weather forecasts for the coming weeks in Europe adding to the upside. The benchmark contract climbed 3,43 EUR/t and closed at 87,45 EUR/t, closing in on the all-time highs from December last year. We expect a downwards adjustment today as fuels and German power edges down as well.

Hydro



Since yesterday, the Nordic weather outlook has turned overall milder and wetter. We still see a relatively cold and dry period early next week, but from mid-next week, both temperatures and precipitation amounts are once again set to rise above seasonal average. The outlook is therefore bearish for the Nordic power market.

Germany



With further gains on the European gas and coal markets as well as colder weather forecasts and a noticeable price jump on the carbon market, the German power market traded up as well in Tuesday's session. The country's 2023 contract climbed to 132,00 EUR/MWh, but we expect a turnaround today, where milder weather and bearish gas, carbon could end up causing a day with falling prices.

Equities



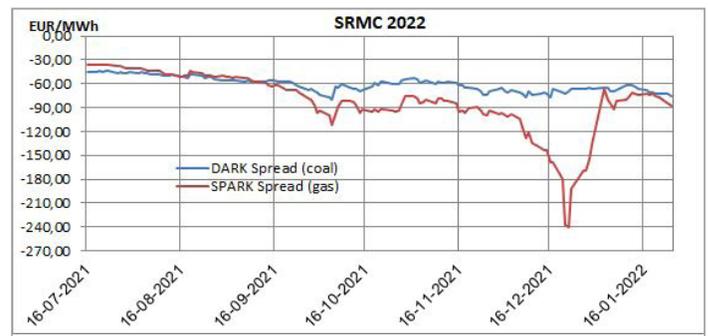
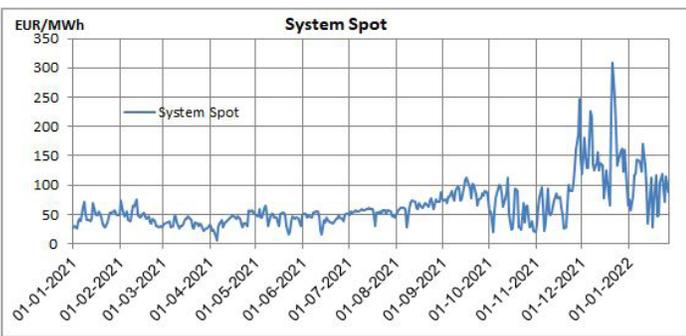
Following a strong finish on the US markets Monday, the European stock markets also managed to recover a bit yesterday. The gains were however not nearly enough to win back the massive losses from the previous day. We expect the nervous sentiment to continue in the coming days, where focus will remain on Russia and on the expectations of higher US interest rates.

Conclusion



Tuesday, the colder and drier Nordic weather forecasts were confirmed, and the uptrend therefore continued on the short end of the curve. Bullish German power and rising fuels, carbon added to the upside on the long end, and the Q2-22 and 2023 contracts closed at 58,80 EUR/MWh and 37,40 EUR/MWh respectively. The market could very well turn around today. The weather forecasts have turned milder and wetter, which should cause a bearish session in today's session.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
24-jan	130,66	61,88	61,88	61,88	61,88	134,20	71,54	February	169,45	171,45	138,45	164,45	141,45	148,45	102,45
25-jan	175,28	149,53	147,49	149,53	139,14	154,84	115,29	Q2-22	191,05	194,80	69,20	147,30	71,80	90,30	58,80
26-jan	104,90	92,10	92,10	92,10	100,88	130,30	88,85	2023	84,65	86,90	40,85	83,90	43,90	59,15	37,40



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