

Expectation

- Oil** ↗

Early Thursday, the crude oil market extended the uptrend from the previous days, once again setting new seven-year highs during the day. The market retreated later in the session and the Brent front month contract closed at 89,34 USD/bbl, more or less flat for the day. Fears of a war in Eastern Europe and tightening global supply was more or less offset by the expectations of rising US interest rates. The market opens with
- Gas** ↗

Yesterday, the bullish sentiment on the European gas market continued, with all focus on the intense situation surrounding Russia and Ukraine. The market continues to price in the effects of a potential war between the two countries, which could very well result in new sanctions against Russia from the EU and a potential complete cancellation of the Nord Stream 2 project. Nothing suggests that the market could not climb even higher today.
- Coal** ↗

European coal prices retreated a bit in Thursday's trading following some sharp gains during the previous sessions. Despite the downturn, the overall sentiment on the market remains bullish, amid low storage levels across Europe, supply issues in some of the world's lead coal producing countries and rising uncertainty in Eastern Europe.
- Carbon** ↗

On the European carbon market, the uptrend continued in Thursday's trading. The market sees a mixture of bullish signals right now. Supply is low due to the lack of auctions, while rising gas prices and bullish technicals add to the upside. The benchmark contract closed just below 90 EUR/t yesterday and could very well continue upwards today.
- Hydro** →

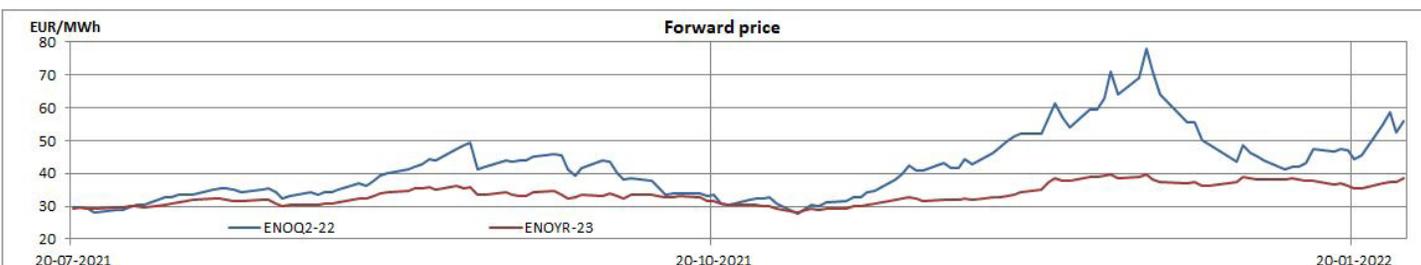
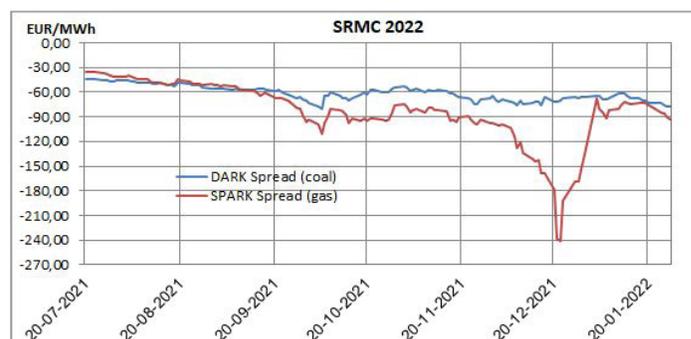
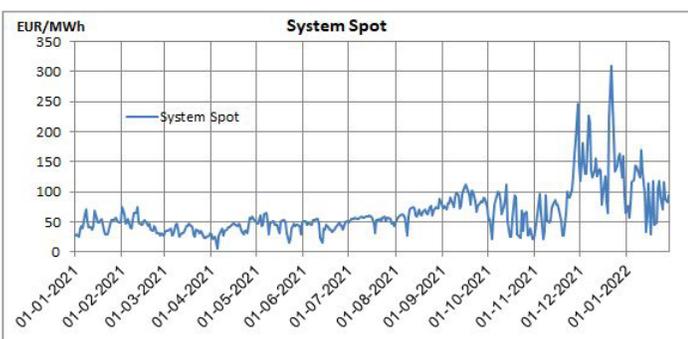
Ahead of the weekend, the Nordic weather forecasts are largely unchanged compared to yesterday. The next few days look very wet and mild, but cooler and drier conditions are expected from Sunday and throughout most of next week. The outlook caused rising prices yesterday but since it is unchanged since then, it should not lead to any big fluctuations on the Nordic power market today.
- Germany** ↗

As European gas prices continue to climb amid the tensions between Russia and Ukraine, German power prices rose as well Thursday. Record-high carbon prices added to the upside, as the German 2023 contract ended up climbing another 5,35 EUR/MWh before closing at 140,00 EUR/MWh. We expect a seventh straight day of gains Friday as fuels and carbon continue upwards.
- Equities** ↘

Thursday, the European stock market opened the day very bearishly following the events late Wednesday in the US, where the Fed signaled that an increase in interest rates might be right around the corner. The European markets had to react to this yesterday, but recovered late in the day and closed largely flat. Following some late losses in the US yesterday, the first signals today are modestly bearish as well.
- Conclusion** ↗

The Nordic power market returned to the bullish sentiment yesterday. The weather forecasts suggest temperatures slightly below average during most of next week, leading to a price jump on the short end of the curve. Long-term contracts also rose, following gas, carbon and German power upwards. The Q2-22 and 2023 contracts ended up closing at 56,00 EUR/MWh and 38,68 EUR/MWh respectively. Friday, we expect a largely neutral day on the short end due to unchanged weather forecasts, while the long end could climb along with fuels, carbon and German power.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
26-jan	104,90	92,10	92,10	92,10	100,88	130,30	88,85	February	146,50	151,00	131,00	152,00	134,50	140,00	94,00
27-jan	33,39	33,39	33,39	33,39	136,81	126,41	81,60	Q2-22	196,00	200,75	66,40	145,00	70,00	90,00	56,00
28-jan	115,81	112,95	101,00	101,00	123,70	135,99	94,29	2023	91,18	92,93	42,13	85,18	45,23	61,68	38,68



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