

Expectation

- Oil

On the crude oil market, expectations of high demand led to another bullish session Monday, with the Brent front month contract closing at 113,42 USD/bbl. The market has been steadily rising for several weeks now, as the lockdown measures in China are not enough to prevent the market from climbing. Rumors that Saudi Arabia will increase production could however be a gamechanger, and the market opens bearishly early Tuesday.
- Gas

As Russian gas continues to flow to Europe despite the EU not officially complying with the Russian demand of paying in rubles, the gas market edged down in Monday's trading. Windier weather in large parts of Europe added to the downside on the short-term contracts. All eyes remain on Russia, but the fears of a total stop to Russian gas appear to be fading a bit.
- Coal

European coal prices fell sharply on the first day of the week, with the API 2 2023 contract down as much as 15 USD/t, closing at 245 USD/t. This marked the first really bearish day on the market for a long time, as supply concerns had driven prices towards all-time highs, but the bearish signals from the gas market overshadowed this yesterday. The overall bullish sentiment remains however amid the ongoing supply concerns.
- Carbon

After an initial uptrend early Monday, the European carbon market returned to the bearish sentiment, with the benchmark contract falling to 78,15 EUR/t. The market continues to come to terms with the EU decision to release an additional 250 million quotas, and has now fallen more than 15 % in a matter of only a week. We expect the market to stabilize around or just below the 80 EUR/t mark in the coming time.
- Hydro

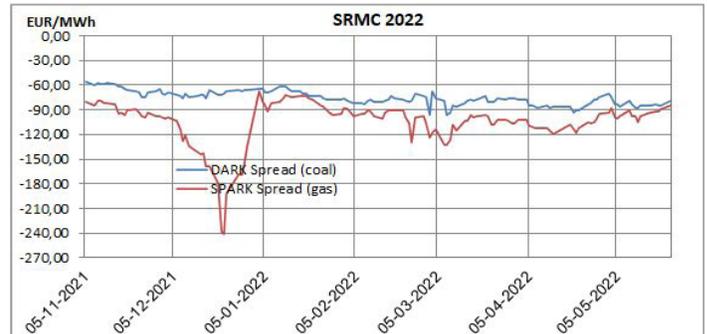
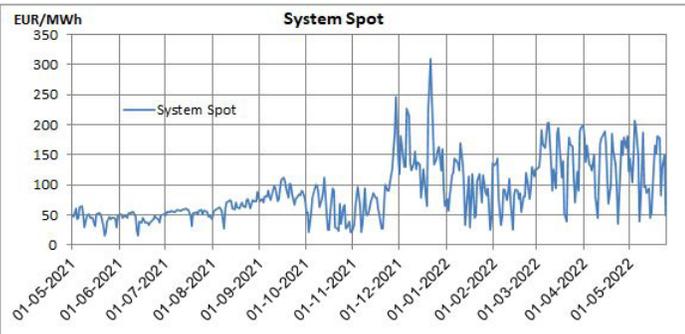
Tuesday morning, the weather forecasts signal wetter-than-average in the Nordic area during the coming ten days and as a result, the deficit on the hydro balance decreases. Temperatures will, apart from a few cool days at the end of this week, remain above normal as well for most of the coming weeks. The outlook appears somewhat bearish for the Nordic power market.
- Germany

The week opened bearishly on the German power market, which responded to falling prices on both the fuel and carbon markets, while windier weather added to the downside on the short end of the curve. The country's 2023 contract was down 7 EUR/MWh, closing at 221 EUR/MWh. We expect a more neutral session Tuesday.
- Equities

Monday ended up as a generally positive day on the financial markets, where US President Joe Biden's comments, that the country will re-consider some of the tariffs against China led to a bullish sentiment. The first signals Tuesday are not quite as positive however, on low expectations to growth in China and inflation concerns.
- Conclusion

Yesterday, the week opened bearishly on the Nordic power market, where falling prices on the fuel and carbon markets as well as in Germany overshadowed the concerns about a halt to Russian power supply to Finland and the Baltic countries. At the end of the day, both the Q3-22 and 2023 contracts had fallen marginally, settling at 87,90 EUR/MWh and 74,00 EUR/MWh respectively. Today, the market could continue down on somewhat milder, wetter weather forecasts.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
22-maj	166,00	166,00	121,38	149,74	133,96	159,39	127,81	June	181,25	172,75	77,25	126,25	92,75	156,25	86,25
23-maj	180,01	174,75	164,05	172,08	185,58	173,63	150,43	Q3-22	207,90	204,90	84,90	152,90	94,65	149,90	87,90
24-maj	126,29	129,26	61,97	128,72	170,20	128,29	49,86	2023	172,50	173,00	72,00	145,00	77,50	107,75	74,00



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