

Expectation

- Oil

The steady uptrend on the oil market continued yesterday, where the Brent front month contract rose for a third straight session, closing at 113,56 USD/bbl, amid ongoing speculations about rising demand and limited supply. Concerns about the global economy slowdown do not appear to stop the market from climbing. Early Wednesday, the bullish sentiment continues, with the price level rising close to the highest we have seen for eight years.
- Gas

Following some bearish sessions, the European gas market rebounded in Tuesday's trading. The bullish sentiment was likely a correction following the sell-off during the previous day, as the ongoing war in Ukraine continues to cause high risk premium on the market. So far however, gas continues to flow from Russia to most of Europe, and the market seems somewhat confident that this will continue.
- Coal

Stock levels in the large European coal terminals are at the highest level since the autumn of 2020, and the abundant supply situation led to falling prices on the coal market once again yesterday. The API 2 Cal-23 contract edged down another 23 USD/t, closing at 223 USD/t. Prices are still extremely high however, as the market remain concerned about long-time supply following the EU decision to ban all coal imports from Russia starting August.
- Carbon

Yesterday, the European carbon market rebounded following some very sharp losses during the previous days. The benchmark contract climbed around 3 EUR/t and closed at 81,32 EUR/t, in an apparent technical correction. The market continues to adjust to the new reality, with 250 million more quotas on the market and we expect it to settle in the range around 80 EUR/t where it traded for a long time earlier this spring.
- Hydro

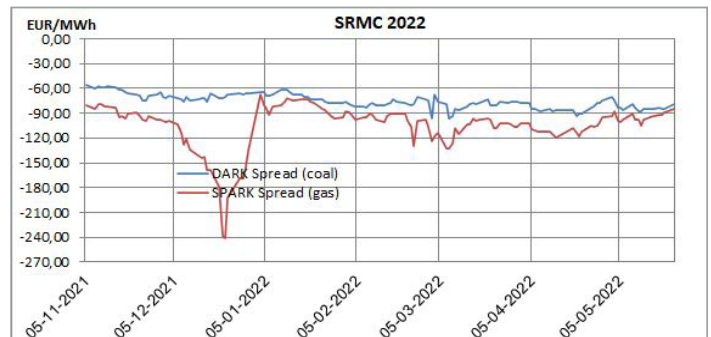
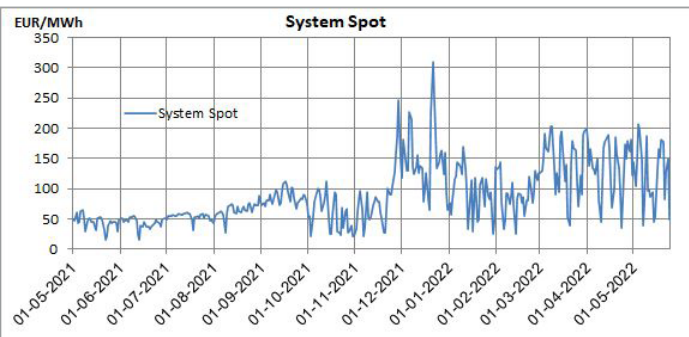
Over the coming days, temperatures in the Nordic area are set to drop below average, but high pressure-weather will start dominating from next week, where wind power generation will decrease while the conditions will also get warmer. The outlook appears somewhat bullish compared for the Nordic market amid the expected decline in wind power generation.
- Germany

On the German power market, signals were mixed yesterday, but the bullish gas and carbon ended up overshadowing the falling coal market, and prices rose. The country's 2023 contract edged slightly up and closed at 224 EUR/MWh, while an expected decrease in wind power generation next week added to the losses on the short end of the curve. We expect the market to continue the steady increase today.
- Equities

After rising for two straight days, the European stock markets returned to the bearish sentiment yesterday. A tighter monetary policy and expectations of a weakening global economy led to a fall of 1,1 % on the Stoxx600 Index. The US markets fell more modestly later in the day, but the first signals early Wednesday point towards a rebound.
- Conclusion

Tuesday, the short end of the Nordic power market experienced a sudden price jump, where the Q3-22 contract climbed to an all-time high of 94,00 EUR/MWh. The increases appear a little exaggerated given the fundamentals, and we expect the short end to stabilize today. On the long end of the curve, the 2023 contract rose marginally to 74,50 EUR/MWh, and this contract could move sideways or rise slightly along with the German power market.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
23-maj	180,01	174,75	164,05	172,08	185,58	173,63	150,43	June	182,00	177,00	84,00	133,00	100,00	163,00	93,00
24-maj	126,29	129,26	61,97	128,72	170,20	128,29	49,86	Q3-22	209,50	210,00	90,50	157,50	100,85	156,00	94,00
25-maj	163,10	166,60	130,45	162,81	152,27	153,17	84,05	2023	174,00	175,00	72,50	144,50	77,80	107,75	74,50



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