

Expectation

- Oil** ➔

Over the last couple of days, the international crude oil market has continued the steady uptrend, and prices are now close to the eight-year high which the market reached back in March in the aftermath of the Russian invasion of Ukraine. The market remains concerned about tight supply, most recently emphasized by another decline in the US inventory numbers. The Brent front month contract closed Thursday at 117,40 USD/bbl and trades sideways early Friday.
- Gas** ↘

Thursday was an overall quiet day across the European energy markets due to public holiday in many countries. Gas prices fell amid milder and windier weather forecasts yesterday, and the front month contract trades around the lowest price level since the outbreak of the war in Ukraine, as the market is also hopeful that Russia will not cut gas supply to any further countries in Europe.
- Coal** ➔

Liquidity was also low on the European coal market, where prices rose modestly in Thursday's trading following the downturn over the previous sessions. The API 2 2023 contract closed at 224 USD/t, with the bullish sentiment attributed to higher demand in China and India, the two top coal consuming countries in the world.
- Carbon** ↘

There is not much activity on the carbon market these days, with holiday in several European countries and no auctions. The benchmark contract rebounded further Thursday following the sharp losses last week, but we will have to see if the market will be able to continue the uptrend or if it retreats to the range around 80 EUR/t once again. We consider falling prices most likely once liquidity starts rising again.
- Hydro** ➔

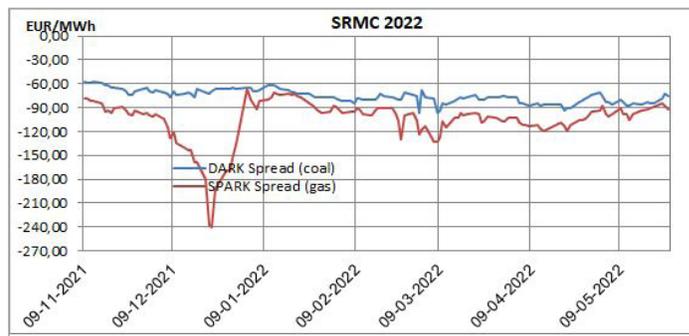
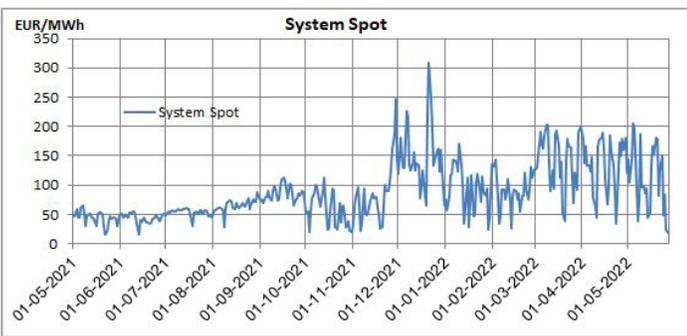
Ahead of the weekend, the Nordic weather forecasts continue to suggest a change to high-pressure weather from early June, where temperatures will rise to above normal, while precipitation and wind power generation is expected around or below seasonal average. The hydro balance deficit is expected around 7-8 TWh in two weeks' time.
- Germany** ↘

On a quiet day on the German power market Thursday, prices rose along with the fuel and coal markets. The country's 2023 contract closed at 231 EUR/MWh, close to the all-time high from earlier in the month. The market continues to price in a high risk premium due to the war in Ukraine, but since gas and carbon falls early Friday, the German power market could be up for a bearish session as well.
- Equities** ↗

Yesterday, the European stock markets traded modestly up, with the Stoxx600 Index climbing 0,78 % for the day. The US markets also climbed slightly, despite the ongoing concerns about global economy and inflation which continue to surround the market. The Asian markets continue up Friday morning and Europe could follow suit.
- Conclusion** ➔

The Nordic power market was closed for trading yesterday due to public holiday, but ahead of that, the short end of the market had climbed further in Wednesday's trading amid high-pressure weather forecasts and a growing deficit on the hydro balance. Today, the market will likely see low trading activity, as many traders take the day off, and we expect the uptrend on the short end of the curve to be replaced by more sideways trading.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
25-maj	163,10	166,60	130,45	162,81	152,27	153,17	84,05	June	181,60	178,60	86,60	135,60	103,60	170,60	95,60
26-maj	48,72	29,28	22,89	22,89	121,34	52,27	24,98	Q3-22	209,90	210,40	93,65	162,40	104,25	162,40	97,40
27-maj	43,21	19,22	16,36	16,92	164,88	47,47	18,94	2023	174,45	175,45	72,65	141,70	77,75	107,95	74,45



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.