

Expectation

Oil



Oil markets were stable on Monday. Movements in crude markets were limited ahead of a meeting between OPEC and some of its allies on June 22 that may determine the oil production policy of several major producers. Oil has been supported by healthy demand and voluntary production cuts led by OPEC, but analysts said oil markets are also currently heavily driven by public policy events and statements. The Brent front month contract closed yesterday at 76,46 USD/bbl.

Gas



Yesterday prompt prices in northwestern Europe's gas markets retreated as the supply situation showed ample availability as flows from Norwegian fields improved. Additionally above average temperatures keep demand limited though activities to replenish gas storages persists. In the UK demand was also curtailed by relatively high solar power output. Longer out on the price curve contracts were also trading lower as softer emissions prices and temporary losses in the oil market weighed on them, but are likely to rebound a bit today.

Coal



Initially the front year contract on the European coal market traded lower yesterday as some weakness from related gas and power markets spread over. Though there's some lacklustre trading in the physical market due to muted demand, nearby contracts continued to gain driven by the Asian-Pacific market. Indian demand is allegedly showing some signs of weakening, but power demand growth in China is still keeping prices up. Towards the end of the day the European front quarter gained 1,00 USD/t to settle at 96,00 USD/t, the front year settled at 88,94 USD/t, up 0,38 USD/t on the day. Today might see some further gains.

Carbon



European carbon prices declined in Monday trading in line with losses across related energy markets. The Dec '18 benchmark closed yesterday at 15,49 EUR/t down 0,33 EUR/t against the previous close. EUA prices have risen by 90% since the start of the year, while coal has gained just 4%. The Dec '18 contract is currently traded at 15,56 €/t and we expect a neutral session today.

Hydro



This morning shows a slightly drier and more stable prognosis today compared to yesterday due to a stronger high pressure ridge over mainland Europe and partly into UK and Scandinavia from this weekend and next week. Temperatures look also more normal compared to yesterday. Likely we will see the prognosis for next week shift a bit in the coming days due to shifts in high pressure placement.

Germany



While only the front week settled a bit higher yesterday, the remaining forward curve shifted lower. Partly this move came on the back of temporary lower fuels prices as oil and coal contracts dipped a bit before recovering towards the end of the session. On top of that emissions prices hitting a 1-week low added further pressure. The front quarter saw its last trade on the EEX at 44,10 EUR/MWh, down 0,59 EUR/MWh. The front year benchmark contract dipped 0,45 EUR/MWh to a last trade at 41,05 EUR/MWh. We expect a bit of reversal today.

Equities



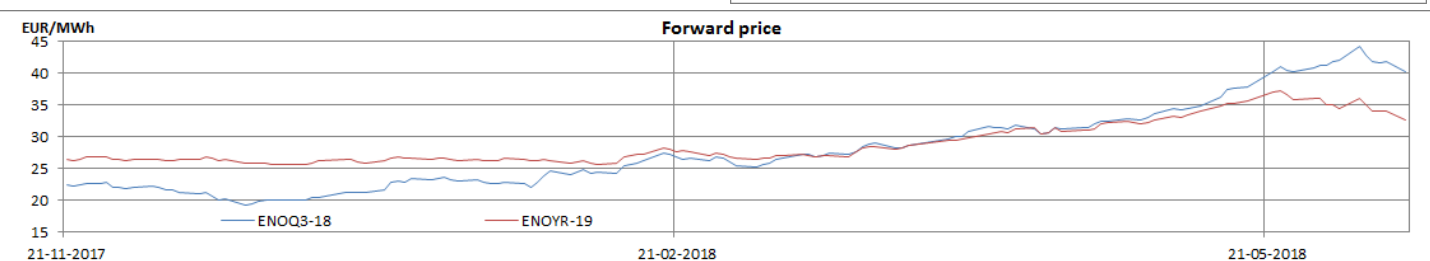
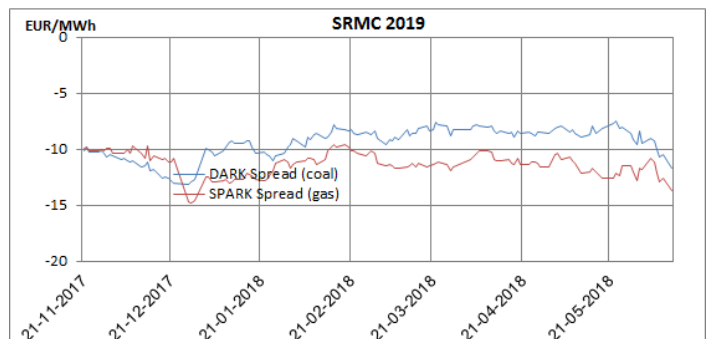
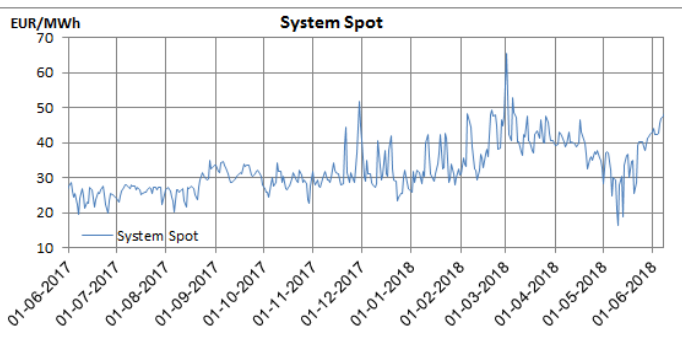
Stock markets were mainly edging slightly up yesterday as the weekend's results of the G7 meeting were shrugged off. This morning Asian equity markets are a bit volatile, today's main focus will be on the North Korea-U.S. summit. Traders seem to be hesitant to take any directional exposures as a positive as well as a negative outcome can easily move the market accordingly. A major view though seems to be that the bar for a "successful" meeting is very low given the past track record of talks with North Korea.

Conclusion



While the spot market remained rather strong, a mix of bearish drivers sent the Nordic power market diving yesterday. Weather forecasts supported expectations of a bit more unsettled conditions with increased precipitation. Softer fuels as well as emissions prices weighed on the contracts, too. With a closing at 40,20 EUR/MWh the front quarter lost as much as 1,60 EUR/MWh on the day, the front calendar year dropped 1,361 EUR/MWh to finish the session at 32,64 EUR/MWh. Prices are rebounding this morning from yesterday's lows.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
10-jun	46,19	46,28	46,07	46,07	46,07	45,99	45,94	July	45,85	46,53	41,00	41,75	44,68	38,92	40,00	July	47,28	47,10	68,63
11-jun	45,94	60,53	46,73	52,49	50,64	46,45	46,58	Q3-18	46,43	46,68	42,95	43,63	47,50	39,12	40,20	Q3-18	47,08	47,63	91,14
12-jun	49,88	94,61	46,73	57,05	46,73	46,20	46,80	2019	35,77	37,34	34,04	35,04	37,62	32,59	32,64	2019	44,32	46,33	91,14



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