

Expectation

Oil



After dropping sharply during the previous session, the international oil markets managed to stabilize Thursday. The Brent front month contract closed at 72,07 USD/bbl, down a marginal 0,20 USD/bbl, on a day, where focus remained on the US-China trade war. A new decline in US inventory levels did however manage to offset the bearish effect of the trade war. Friday, we expect the market to trade sideways once again.

Gas



There are no noticeable fluctuations on the European gas markets at the moment. Thursday was once again a quite neutral session on the long end of the curve, although short-term prices fell slightly due to the decreasing temperatures across the continent. Europe sees weak LNG import at the moment as high prices in Asia cause suppliers to ship the gas there instead of Europe. A bearish day seems likely today.

Coal



Yesterday, the European coal market recovered after falling earlier during the week. The API 2 Cal-19 contract was up 0,54 USD/t, settling at 86,55 USD/t. The market is still responding to very strong demand in China, which is at the highest level in around 5 years, although it has declined a bit recently.

Carbon



The European market for carbon emissions is trading relatively range-bound at the moment, located around the 17,50 EUR/t-area for the last couple of weeks. Yesterday, the market rose 0,20 EUR/MWh to 17,60 EUR/t, as the market awaits further signals on a market, where demand has been strong this summer due to the long-lasting heatwave across Europe, which has spurred demand for coal. The market could fall today but stay around 17,50 EUR/t.

Hydro



Although the weather outlook suggests drier conditions in the Nordic area next week, the level will probably still be above average. As a result of this, the Nordic hydro balance continues to improve rapidly, having moved from a deficit of 40 TWh a few weeks ago, to now just -20 TWh. The forecasts are a bearish influence to the Nordic power market today.

Germany



On a day with rising coal and carbon emission prices, the German power market traded up as well. The country's Cal-19 contract increased by 0,30 EUR/MWh and settled the day at 44,85 EUR/MWh. The bullish sentiment was supported by continuously high spot prices in the country, as higher temperatures and low wind power generation are still the dominating weather conditions. We expect falling prices today.

Equities



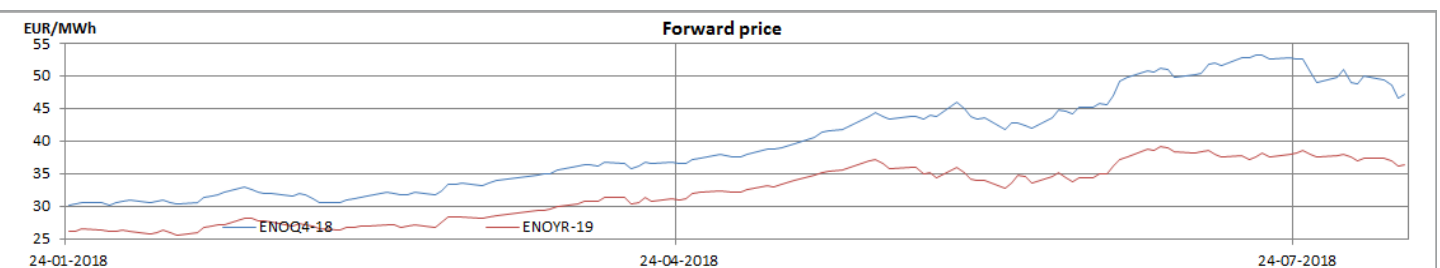
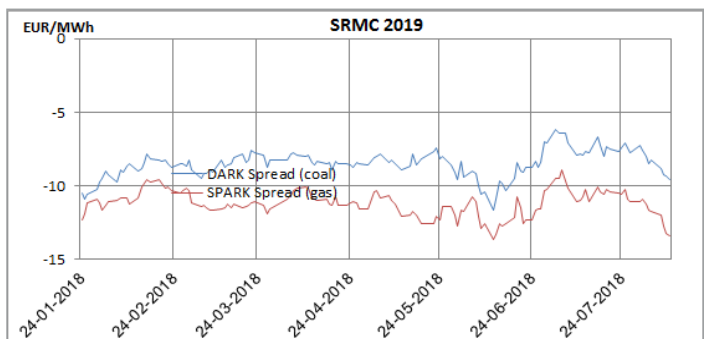
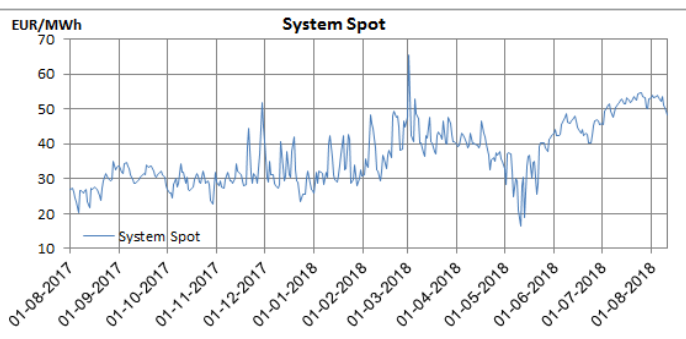
Thursday, the international stock markets were largely neutral, on a day without any noticeable events to cause any fluctuations. Trading activity on the market should start to increase soon, following summer holiday season. We expect a slightly bearish day today.

Conclusion



Following a week of sharp losses on the Nordic power market, the market made a slight upwards movement yesterday. It appeared as if the gains were just a correction to the previous losses, as there were no noticeable changes to the weather forecasts. An upturn in Germany did however provide some support. The Q4-18 contract closed at 47,16 EUR/MWh, up 0,66 EUR/MWh for the day, while the YR-19 contract rose 0,20 EUR/MWh and settled at 36,45 EUR/MWh. Friday, we should see the market return to the bearish sentiment from earlier in the week.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
08-aug	54,83	56,55	52,03	54,96	56,50	50,93	51,14	August	51,58	56,95	54,20	54,95	56,45	46,70	47,70	August	49,44	51,81	68,63
09-aug	55,18	55,68	51,18	55,16	51,18	51,41	50,53	Q4-18	46,56	49,14	48,91	49,66	50,76	46,53	47,16	Q4-18	48,65	54,68	88,73
10-aug	42,85	43,12	47,43	47,51	54,80	47,43	48,22	2019	39,80	41,05	38,25	39,20	41,70	36,40	36,45	2019	46,06	49,83	88,73



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