

Expectation

Oil



Yesterday, the range-bound trading on the crude oil market continued. For almost a month now, the market has made practically no movements, as the OPEC-led production cuts are being offset by high output in the US and insecurity regarding global demand growth following some weak key figures in both China and the EU. The Brent front month contract closed at 66,67 USD/bbl, up marginally from Monday. We expect another largely neutral session today.

Gas



Spot gas prices across Europe continued to fall in Tuesday's trading, as temperatures are now on the verge of rising to above average once again. The bearish sentiment also affected the long end of the curve. Supply remains abundant, with both plenty of LNG arriving to Europe and no noticeable interruptions to the internal production within Europe. The first indications today point towards further losses.

Coal



After reaching record low price levels during the previous session, the European coal market managed to climb a bit yesterday, in what could be interpreted as a correction following some heavy losses during the previous weeks. The API 2 Cal-20 contract edged up 0,60 USD/t, settling at 75,85 USD/t. Buying interest has improved slightly, but it is uncertain for how long this will last.

Carbon



Once again, the European market for carbon emissions made a lot of fluctuations yesterday, but at the end of the day, the benchmark quota contract settled just around where it started, at 22,33 EUR/t, 0,05 EUR/t higher than Monday. The market awaited the outcome of the Brexit vote in the British Parliament. As expected, PM Theresa May's proposal was rejected, and we could see falling prices ahead of tonight's no-deal vote in the Parliament.

Hydro



Wednesday morning, there are no major changes to the Nordic weather outlook, where the forecasts remain both milder and much wetter than seasonal average. The two-week outlook does not suggest any return of cold conditions. As the outlook remains mild and wet, the bearish influence on the Nordic power market continues.

Germany



The German power market received mixed signals during Tuesday's trading, first and foremost because of the highly volatile carbon emission market. At the end of the day, the country's Cal-20 contract closed at 47,40 EUR/MWh, a marginal 0,15 EUR/MWh higher than Monday's close. More imminent contracts on the market edged down as the weather outlook offers bearish support to the market. Wednesday looks bearish as well.

Equities



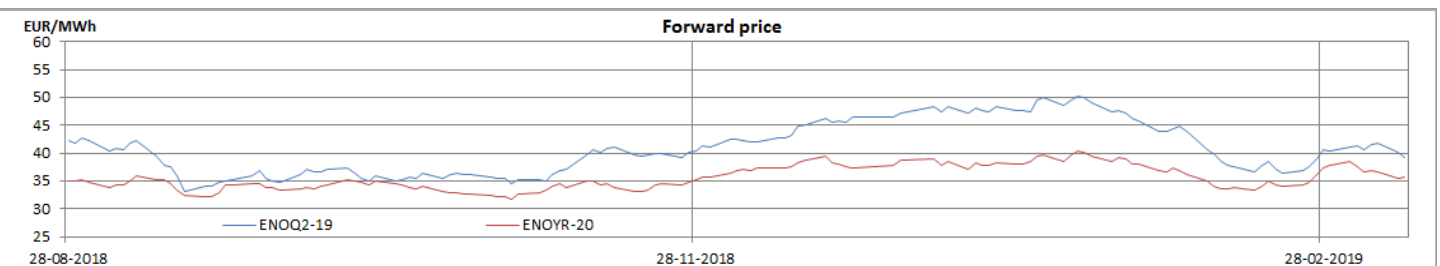
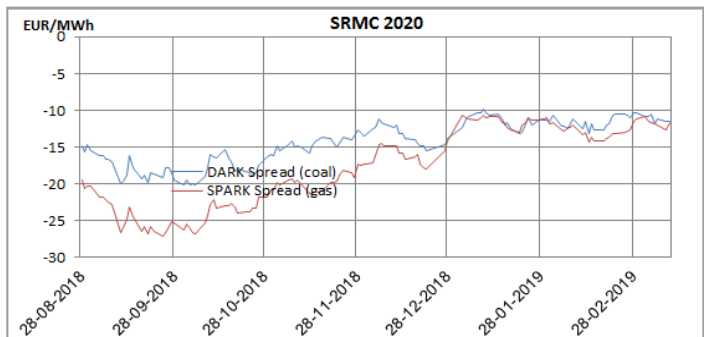
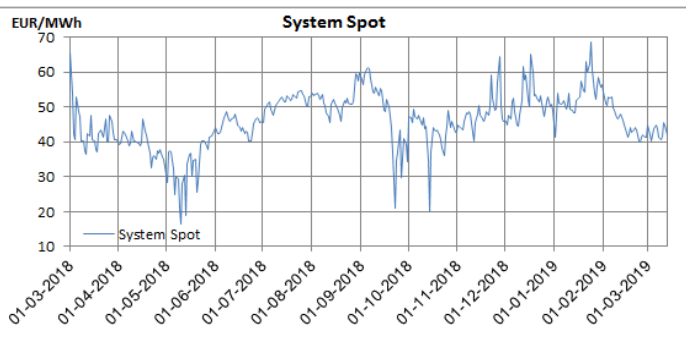
Tuesday, the stock markets hesitated ahead of the important Brexit vote in the British Parliament late in the day. The Asian markets are falling early Wednesday due to the news, and this development could very well continue in to Europe. Today, we will have a vote on a no-deal Brexit in the British Parliament, which is also expected to be massively rejected.

Conclusion



For a second straight day, the short end of the Nordic power market edged down sharply yesterday. The weather outlook offers bearish support to near-term contracts, as very wet and consistently mild conditions look set to continue. The Q2-19 contract fell 0,90 EUR/MWh and closed at 39,25 EUR/MWh. The long end of the curve avoided further losses and closed at 35,55 EUR/MWh, up 0,09 EUR/MWh for the day. As both the German power market and the carbon market edged further down late yesterday, the Nordic power market has to correct for this today. We therefore expect another bearish session.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
11-mar	45,21	45,25	45,21	45,21	45,21	45,66	45,46	April	39,25	40,90	41,33	42,00	42,65	40,95	41,00	April	46,11	40,53	88,76
12-mar	38,61	41,98	45,00	45,00	45,80	45,23	44,91	Q2-19	42,45	43,65	40,10	41,00	42,95	39,20	39,25	Q2-19	46,31	40,32	0,00
13-mar	38,01	39,16	41,29	41,29	43,15	42,55	42,18	2019	40,35	42,20	37,43	38,80	39,93	35,65	35,55	2020	46,99	47,25	0,00



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.