

Expectation

Oil



The steady increase on the international crude oil market continued in Wednesday's trading. Yesterday, the Brent front month contract was up 1,18 USD/bbl, settling at 67,75 at the end of the day. The ongoing supply cuts led by OPEC are offering bullish support to the market, and the sentiment is supported by the US sanctions against Venezuela and Iran. The market should continue to rise Thursday, where it could reach its so far highest level of the year.

Gas



Prices just keep on falling on the European gas markets, which continues to see strong supply, partly due to high LNG imports from other continents. Gas prices have fallen so much that the fuel is now challenging coal significantly for power generation. Yesterday, the NCG Cal-20 contract edged down another 0,31 EUR/MWh, closing at a year-low of 19,57 EUR/MWh. The first indications today point towards a rebound.

Coal



Yesterday, the bearish sentiment returned to the European coal markets. Fundamentals on the market are still very weak, and there are no expectations that demand is going to ramp up anything noticeably during the coming weeks. Prices are now at the lowest level in around a year, but we could see the market stabilize today.

Carbon



On the European CO₂ quota market, the negative outcome of the Brexit vote in the British Parliament was expected, and the market traded only slightly down in yesterday's session, where the benchmark quota contract closed at 22,28 EUR/t, down a marginal 0,05 EUR/t from Tuesday. Yesterday's rejection of a no-deal Brexit was also expected. We should see a

Hydro



There are no major changes to the Nordic weather outlook early Thursday, where both precipitation and temperatures should remain above seasonal normal for the remainder of March. The Nordic hydro balance continues to improve. It is now expected in a deficit of just 8 TWh in two weeks' time, steadily improving for more than a month now.

Germany



Wednesday, focus on the German power market was on the continuously very bearish sentiment on both the coal and gas markets in Europe. The mild weather conditions caused more pressure to the short end of the market. At the end of the day, the country's Cal-20 contract had fallen 0,85 EUR/MWh to 46,55 EUR/MWh. The market looks set for a rebound today.

Equities



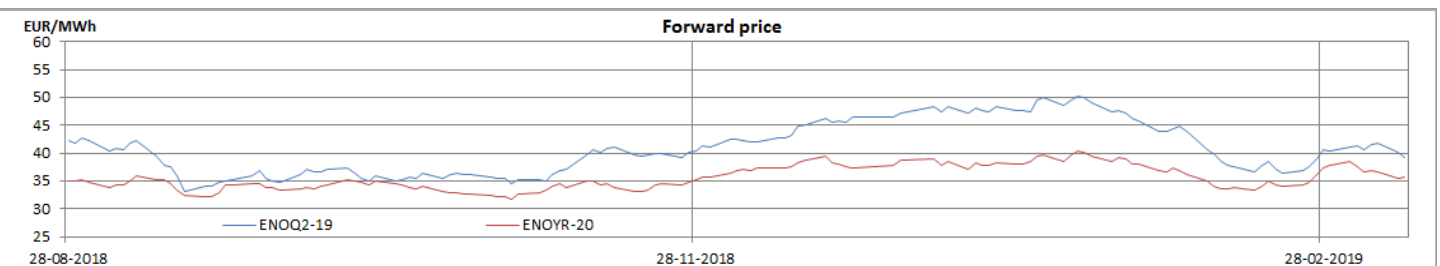
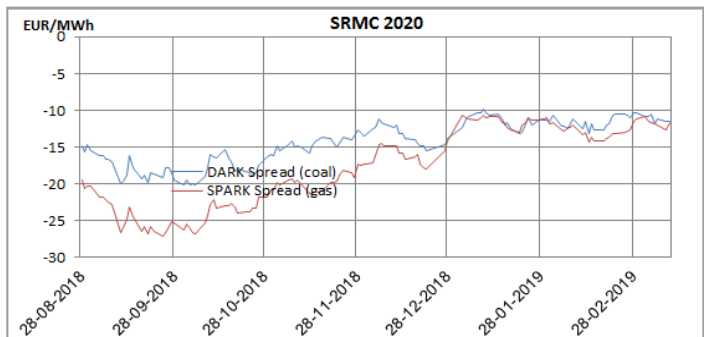
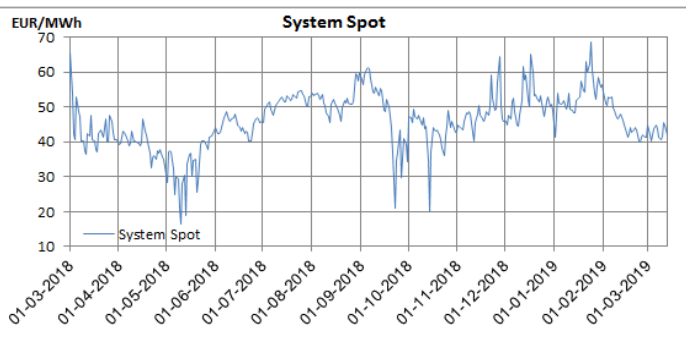
Despite the rejection of the Brexit plan by the British Parliament Tuesday, the European stock markets edged up in yesterday's trading. The Stoxx600 index was up 0,63 %, but the first signals today are a bit negative as the key figures in China keep on disappointing. Focus today will once again be on the British Parliament, which today will vote on allowing PM Theresa May to negotiate a delay of Brexit.

Conclusion



The Nordic power market continued the steep price falls yesterday. The weather forecasts are consistently wet and mild, and the market does not appear to believe that winter will return anymore this season. Meanwhile, both coal and gas have dropped to a multi-month low. As a result of this, the Nordic Q2-19 contract fell another 1,40 EUR/MWh yesterday, closing at 37,85 EUR/MWh, while the YR-20 contract was down 0,90 EUR/MWh, settling at 34,65 EUR/MWh. Thursday, we expect a rebound, as the market appears to adjust a bit following the recent big losses.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
12-mar	38,61	41,98	45,00	45,00	45,80	45,23	44,91	April	37,67	39,52	39,93	40,55	41,15	39,50	39,55	April	45,65	39,64	88,58
13-mar	38,01	39,16	41,29	41,29	43,15	42,55	42,18	Q2-19	41,13	42,38	38,60	39,60	41,40	37,80	37,85	Q2-19	45,82	39,38	0,00
14-mar	40,09	40,09	41,43	41,43	41,43	42,62	42,31	2019	40,03	41,50	36,43	37,90	39,08	34,75	34,65	2020	46,41	46,86	0,00



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