

Expectation

Oil



Fluctuations were minimal on the oil market yesterday, but the sentiment remains overall bullish, as prices have been climbing steadily throughout February. The Brent front month contract closed at 66,88 USD/bbl, marginally up from Wednesday. Optimism about a demand recovery later in the year as well continues to offer bullish support to the market, which is at the highest price level in more than a year. The market opens with losses Friday.

Gas



European gas storage levels continue to fall, and are significantly below the average level for this time of the year. This adds bullish support to the European gas markets, but the mild weather which currently dominates limits demand. We see signals that temperatures will fall again by next week however, and the forecasts led to rising prices yesterday.

Coal



On the European coal market, there were no noticeable fluctuations yesterday, as the API 2 Cal-22 contract closed at 68,50 USD/t, down a marginal 0,03 USD/t for the day. The ongoing supply issues in Russia and South Africa currently prevent the market from falling despite the low demand in the spring-like weather across Europe. We expect prices to fall further today.

Carbon



Thursday, the European carbon market once again changed direction during the day. Early in the session, the benchmark contract climbed to almost 40 EUR/t, before dropping later in the day, likely as a result of profit-taking among speculative investors. The contract closed the day at 38,26 EUR/t and we could see another downwards session today.

Hydro



Ahead of the weekend, the Nordic weather forecasts suggest wet and mild conditions until the middle of next week. During next week however, temperatures will drop to below normal, and they will remain there for as long as the two-week outlook goes. The upcoming weather change continues to offer bullish support to the Nordic power market.

Germany



The German power market received some mixed signals yesterday, and the country's Cal-22 contract ended up closing the day more or less where it started, settling at 52,99 EUR/MWh. Today, the market will likely have to make up for some late losses on the carbon market yesterday, and the market should therefore should be up for a bearish session today as well.

Equities



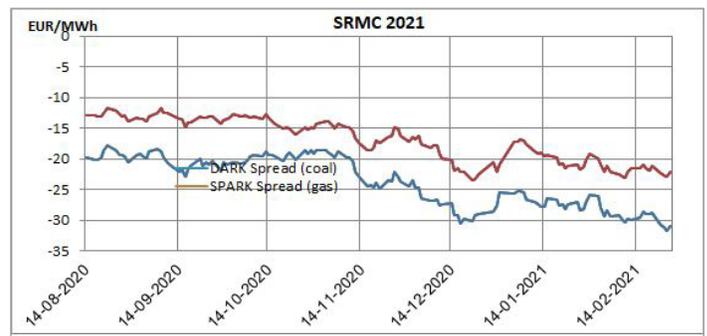
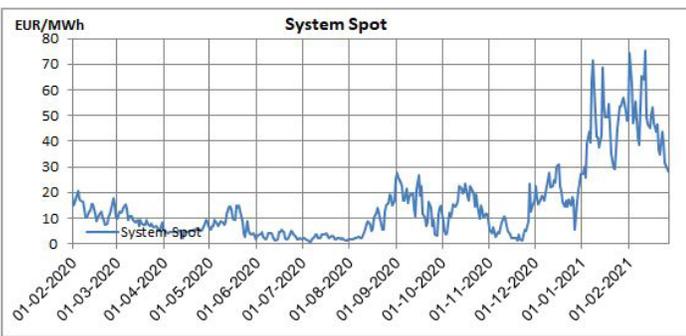
On the European stock markets, the bearish sentiment returned yesterday, where the Stoxx600 Index edged down 0,36 %. Later in the day, the development continued in the US, with the focus still on concerns about increasing interest rates. The late losses in the US could cause another bearish session on the European markets Friday.

Conclusion



Like with most other relevant markets, the Nordic power market made only smaller fluctuations yesterday. The weather forecasts agree that we will see cooler and drier conditions from next week, but the bullish effect of this was offset by losses on the carbon market. The Q2-21 and YR-22 contracts closed at 23,39 EUR/MWh and 25,70 EUR/MWh respectively, both more or less unchanged for the day. Today, the short end of the curve should continue up due to the cooler weather forecasts, but the long end does not appear so bullish as fuels and German power appear to edge down.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
24-feb	31,35	34,20	32,08	34,16	37,44	32,12	31,35	March	40,65	43,03	32,80	40,40	40,50	33,40	30,40	March	55,48	45,80	62,30
25-feb	33,16	33,16	31,78	32,76	33,35	32,09	30,67	Q2-21	42,39	43,52	32,64	34,14	41,14	25,14	23,39	Q2-21	55,49	44,46	0,00
26-feb	30,27	30,27	28,88	28,97	34,58	30,41	28,04	2022	38,75	41,85	29,30	33,98	36,60	28,05	25,70	2022	56,75	47,91	0,00



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