

Expectation

Oil



We saw falling prices once again on the international oil markets Monday, and for the first time in almost half a year, the Brent front month contract has now tracked three straight days of losses, closing at 63,69 USD/bbl. The losses were attributed to concerns about the demand growth in China and to rumors that OPEC might end up increasing their output at a meeting scheduled for next week. The market opens with further losses Tuesday morning.

Gas



Yesterday, the sentiment on the European gas markets turned bullish. Weather forecasts suggest cooler conditions in large parts of Europe from later this week, and meanwhile, supply from Norway is set to decrease due to outages in the country's production. It adds to the upside, that storage levels are still well below seasonal average.

Coal



The week opened more or less neutral on the European coal market. The supply concerns from Russia and South Africa are now longer able to provide upside to a market, which faces falling demand in the coming time as spring approaches. These factors ended up offsetting each other, and we expect another day of largely sideways trading today.

Carbon



It appears as if the carbon market has found some sort of foothold following a long period with heavy fluctuations. During the previous weeks, the market has stabilized within a relatively narrow range just below 40 EUR/t, and we saw another bearish season yesterday. The expected startup of British quota auctions are bearish for the market, but this is offset by high compliance buying. Today, we could see the market somewhat stabilize around the current level.

Hydro



Since yesterday, we see confirmations of the drier and cooler weather outlook, and the forecasts also suggest that these conditions could last at least until next week. The long-term forecasts suggest a cool second part of March as well, although this is still very uncertain. The outlook is a bullish signal for the Nordic power market today.

Germany



On the German power market, we saw mixed signals on the first trading day of the week. The country's Cal-22 contract closed at 52,45 EUR/MWh, a marginal 0,14 EUR/MWh higher than Friday, as bullish gas was largely offset by the minor downwards adjustments on both the coal and carbon markets. Tuesday, cool weather forecasts offer some bullish support, but we do not expect any big fluctuations today either.

Equities



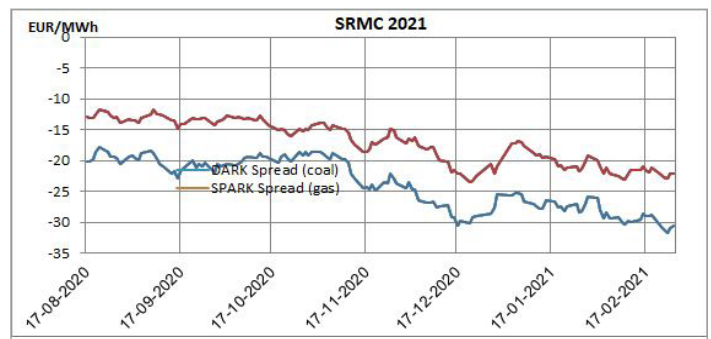
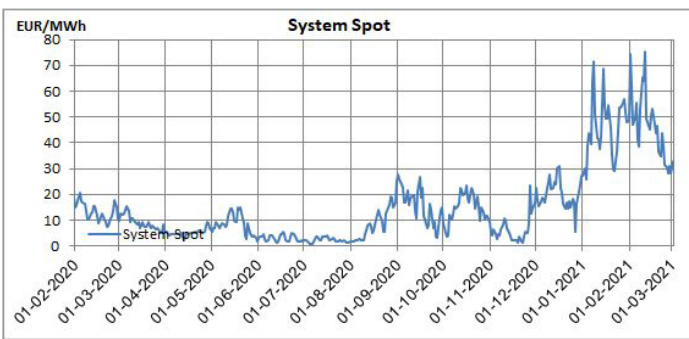
On the European stock markets, we saw a big rebound Friday, where the Stoxx600 Index experienced its most bullish day in four months. The US markets experienced a similar big upturn later in the day, as the concerns about the rising interest rates were pushed to the background for a while. Tuesday, the market opens more sideways.

Conclusion



On the Nordic power market, we saw a bullish opening to the week. The weather forecasts agree that cooler and drier conditions are on the way from later this week, and as the market also had to make up for some late gains on the German power market Friday, we were bound for an upwards adjustment. The Q2-21 climbed 2,30 EUR/MWh to 25,95 EUR/MWh, while the YR-22 contract was up 0,95 EUR/MWh, setting at 26,15 EUR/MWh. The market looks set for a much calmer session today, as neutral sentiment seems likely.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
28-feb	41,02	41,02	28,79	31,66	28,74	34,49	28,03	April	41,63	42,38	33,50	39,50	40,38	31,50	29,00	April	54,91	45,95	62,30
01-mar	49,18	49,30	34,34	41,63	34,34	37,93	32,74	Q2-21	42,45	43,20	35,55	36,95	42,25	28,20	25,95	Q2-21	54,98	44,68	0,00
02-mar	53,50	53,50	40,13	49,90	40,61	42,48	35,22	2022	39,13	42,30	29,73	34,15	37,03	28,50	26,15	2022	56,29	47,86	0,00



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