

Expectation

Oil



On the crude oil market, we saw a big upwards adjustment yesterday. Optimism that we are past the worst part of the corona virus pandemic continues to add a bullish sentiment to the market, where the Brent front month contract climbed 1,32 USD/bbl and closed at 68,88 USD/bbl. Today, we will see the contract rally towards 70 USD/bbl, a technical point which it has not traded above for almost two years.

Gas



Tuesday was a rare bearish day on the European gas markets. The long-term contracts traded down a bit following the massive uptrend over the previous week, as demand is set to decrease in the coming time due to the steadily rising temperatures. There is still some upside on the market however due to the high prices in Asia that direct LNG away from Europe, and a return to the bullish sentiment seems likely today.

Coal



With gas and carbon prices retreating, we also saw the first bearish session in a long time on the European coal market yesterday. The API 2 Cal-22 contract fell 0,64 USD/t to close at 76,56 USD/t, still close to a two-year high. High prices in China and supply disruptions in South Africa continue to keep a hand under the market.

Carbon



European carbon prices edged down in Tuesday's trading following six straight bullish sessions in a row. The benchmark contract retreated 0,79 EUR/t to close at 48,61 EUR/t, and the question now is, if it will be a long battle for the market to break above the 50 EUR/t barrier, which it has never challenged before.

Hydro



Wednesday morning, we see no big changes to the weather forecasts. Temperatures will rise over the coming weeks, but still remain below average. Precipitation amounts are set to remain very high at least until the end of next week, from which point on a high pressure could cause warmer and drier conditions.

Germany



Falling prices on both the carbon, gas and coal markets led to a bearish sentiment on the German power market yesterday. With temperatures rising, the seasonally cold weather also is less of a bullish factor for the market than previously. The country's Cal-22 contract fell to 60,41 EUR/MWh, but a rebound seems likely today.

Equities



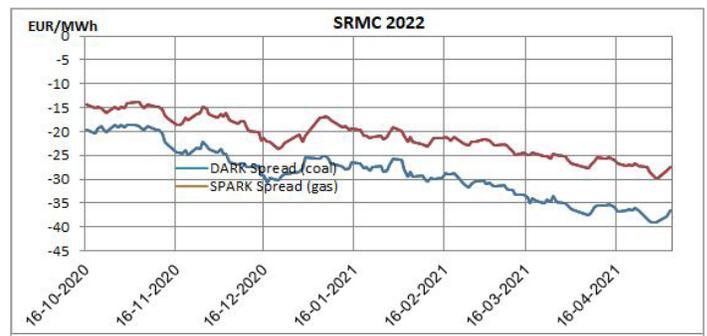
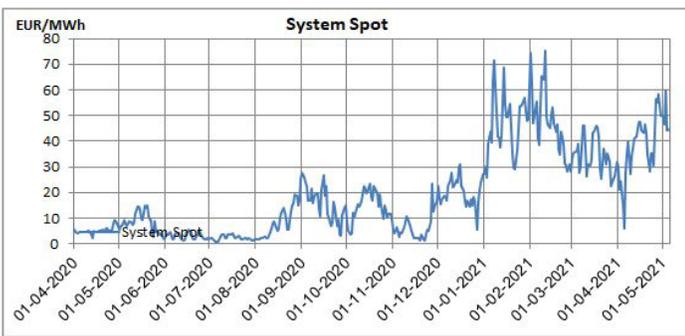
Yesterday, the European stock markets retreated from previous all-time highs, with the benchmark contract falling as much as 1,43%. The bearish sentiment continued in the US later in the day, where the S&P 500 Index fell 0,67%. The first signals today point towards a rebound.

Conclusion



The Nordic power market continued upwards Tuesday, and not even the falling fuel and carbon prices nor the retreating German power market was able to prevent the market from rising further. The weather forecasts remain rather cold which could explain the upturn, which however seemed a bit overdone. The Q3-21 and YR-22 contracts climbed to 33,25 EUR/MWh and 31,63 EUR/MWh respectively, and we could see a downwards adjustment today as the market might want to adjust from some exaggerated gains yesterday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
03-maj	62,43	61,25	60,72	60,72	60,72	60,36	59,90	June	59,48	60,85	40,35	53,35	42,70	37,85	32,85	June	68,57	64,36	62,30
04-maj	30,26	40,13	40,13	40,13	62,31	45,31	44,00	Q3-21	62,00	63,75	37,00	51,70	49,00	37,25	33,25	Q3-21	68,52	62,67	0,00
05-maj	35,89	41,81	41,81	41,81	45,52	48,63	44,80	2022	49,13	51,38	35,26	46,63	38,66	38,13	31,63	2022	68,06	58,98	0,00



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