

## Expectation

- Oil

Early Wednesday, the crude oil prices continued upwards, on renewed hopes of a demand recovery later in the year, when the corona virus vaccine program is further ahead. Later in the day however, the market retreated once again, and the Brent front month contract ended up settling at 68,96 USD/bbl, marginally down from Tuesday. Today, we see the market climb due to a drawdown in US inventories.
- Gas

Gas demand in Europe remains high, both because of the current cold weather on large parts of the continent, and because storage levels are so low that injection demand is high ahead of the upcoming winter. High prices in Asia adds to the upside as it means that LNG supply to Europe has decreased lately, with ships being directed to Eastern Asia instead.
- Coal

Yesterday, the European coal market returned to the bullish sentiment following a single day of losses the previous session. Not much has changed regarding the fundamental picture, with high demand both in Europe and in Asia, and bullish support from the gas and carbon markets adding to the upside. The API 2 Cal-22 contract climbed to 77,15 USD/t and could very well continue upwards today if gas and carbon does so as well.
- Carbon

Following a rare bearish session Tuesday, the European carbon market returned to the bullish sentiment yesterday. The upside was strengthened by the news that Germany will increase their climate targets further, cutting emission levels by 10 % more than initially planned during the coming decades. The benchmark contract rose to 49,45 EUR/t and will continue to test 50 EUR/t today.
- Hydro

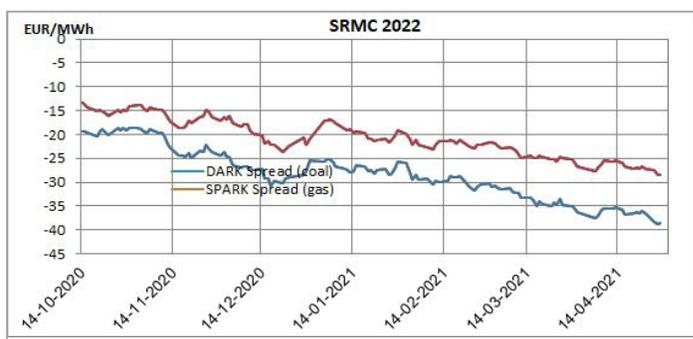
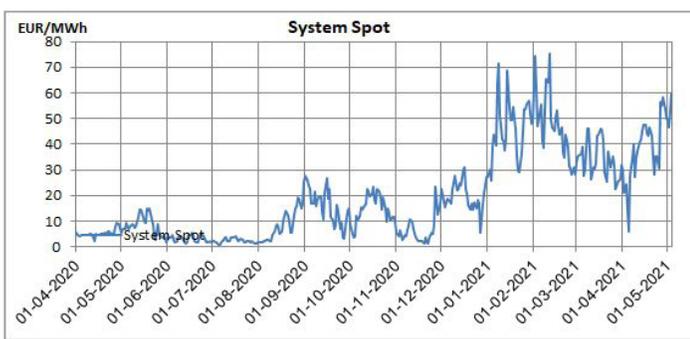
We still see more or less the same weather outlook for the rest of this week as we have seen the last couple of days. Wet and cold until mid-next week, from which point on the conditions are set to get warmer and drier. The rising temperatures will likely kick off the delayed snow melting season in the Nordic area during the coming weeks.
- Germany

On the German power market, we saw a rebound Wednesday following the bearish session the previous day. The country's Cal-22 contract jumped to a new all-time high of 61,00 EUR/MWh due to the renewed bullish signals from the coal, gas and carbon markets. Thursday, carbon will remain decisive and if it continues to climb, German power could follow suit.
- Equities

Like many other markets, the European stock market turned around yesterday and won back the losses from the previous session. The upturn was attributed to strong financial statements and to reduced fears of rising interest rates. The first signals from Asia today are bullish while the European futures trade more or less sideways.
- Conclusion

Wednesday, the Nordic power market changed direction several times. Following an initial downturn early in the day due to losses in Germany the previous day, the market started climbing later in the day due to high spot prices. Late in the day, the market retreated once again, and both the short and long end of the curve ended the day more or less where it started. Today, the bullish signals from Germany and the high spot price levels could result in another bullish session.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
04-maj	30,26	40,13	40,13	40,13	62,31	45,31	44,00	June	59,85	60,48	40,85	52,85	42,60	37,85	32,85	June	69,71	66,07	62,30
05-maj	35,89	41,81	41,81	41,81	45,52	48,63	44,80	Q3-21	62,30	64,18	36,80	50,80	48,55	37,05	33,05	Q3-21	69,57	64,35	0,00
06-maj	64,97	60,01	59,60	59,60	61,04	62,78	61,98	2022	49,40	51,78	35,45	45,90	38,50	38,33	31,90	2022	68,96	60,07	0,00



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