

Expectation

Oil



Following an early increase in crude oil prices Thursday, the market retreated later in the day. The initial gains were caused by data showing a drawdown in US inventory levels, but eventually, the concerns about the increasing corona virus figures in particularly in India took over as the main topic. The Brent front month contract fell to 68,09 USD/bbl, 0,83 USD/bbl below the previous close. Friday, we see a minor rebound but we do not expect any major fluctuations.

Gas



On the European gas markets, prices continued to climb yesterday. Maintenance work on the Norwegian gas facilities have started, causing supply to decrease, while temperatures across the continent are still well below average. Both day-ahead and front month contracts on the important Dutch TTF hub rose to the highest level since January. Today, further gains seem very likely.

Coal



The European coal market saw another bullish session yesterday, where the API 2 Cal-22 contract rose another 0,45 USD/t and settled at 77,60 USD/t. Tightening gas markets continues to affect coal as well, and bullish signals from China, where demand is high, are important for Europe as well.

Carbon



European carbon prices continued to challenge the 50 EUR/t barrier yesterday, a battle which has taken place throughout this week. The benchmark contract closed as high as 49,94 EUR/t, after trading above 50 EUR/t at points during the day. The market will likely manage to break above and stabilize above 50 EUR/t within a short time.

Hydro



Ahead of the weekend, the weather forecasts now agree that we will see significantly milder conditions in the Nordic area from mid-next week. Temperatures will rise to around average following a very long cold period over the last months. Precipitation amounts are set to decrease however, so the outlook is rather mixed for the Nordic power market.

Germany



German power prices continue their rally upwards almost without any interruptions. Yesterday, the country's Cal-22 contract rose to 62,27 EUR/MWh, which is its highest level ever, and the highest price for a front-year contract in 13 years. Bullish fuels and carbon as well as cold weather remains the important factor. It is not unlikely that the market will rise further today, but it all comes down to what carbon does.

Equities



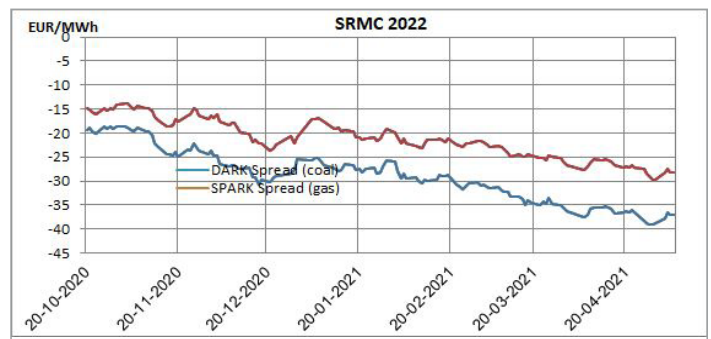
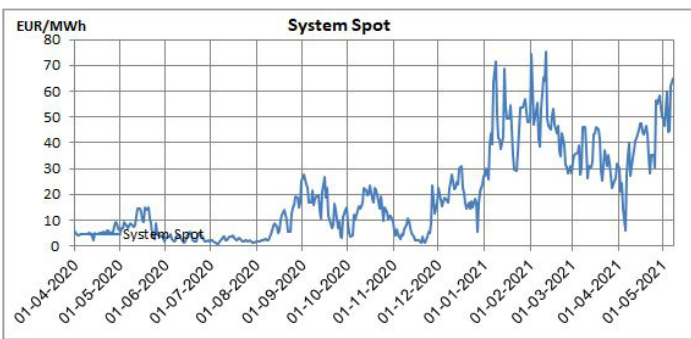
Yesterday, the European stock markets opened bullish, but turned negative during the day. The market still has a lot of focus on the vaccine process, which still experiences some problems. The market continued downwards in the US later in the day, but the first signals from Asia early Friday are rather bullish.

Conclusion



The Nordic power market saw another bullish session as well yesterday. Apart from the very bullish support from the German power market and the fuel, carbon markets, extremely high spot prices add to the upside right now. The Q3-21 and YR-22 contract climbed to 33,95 EUR/MWh and 32,35 EUR/MWh during the day. Friday, the weather forecasts offer a bit mixed signals, so the development on the German power market as well as on the carbon market, and the high spot prices could help the market close the week with another upwards adjustment.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS	SRMC	Coal	Gas	Oil
05-maj	35,89	41,81	41,81	41,81	45,52	48,63	44,80	June	62,63	63,25	42,00	51,00	43,50	39,00	34,00	June	70,64	66,38	62,30
06-maj	64,97	60,01	59,60	59,60	61,04	62,78	61,98	Q3-21	63,95	65,95	37,95	52,95	48,75	37,95	33,95	Q3-21	70,57	65,06	0,00
07-maj	69,81	67,77	65,54	66,37	65,54	64,78	64,95	2022	50,03	52,48	35,80	46,38	38,95	38,83	32,35	2022	69,41	60,65	0,00



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