

## Expectation

Oil



International oil prices started rising again Tuesday, where the Brent front month contract for the first time in more than three years closed above the 85 USD/bbl barrier. The market still has focus on the economic recovery in the wake of the corona virus. Early Wednesday, prices are falling on the news that China are taking measures to curb the country's coal demand, a move which is bearishly interpreted by the oil market.

Gas



European gas prices fell in Tuesday's trading amid profit-taking from speculative investors in the wake of the recent gains. The sell-off started already late Monday, and continued yesterday, but the ongoing supply concerns, specifically concerning Russia, limited the downside significantly. Today, the market appears ready for a recovery.

Coal



The European coal market continued the downtrend Tuesday, marking the third straight day of losses. The API 2 Cal-22 contract fell to 139,16 USD/t, 4,69 below Monday's close, and the contract has now fallen around 12 % in a matter of just three days. The downside is limited by the energy crisis in China, where demand remains high.

Carbon



Bearish technical signals are weighing heavily on the European carbon market right now. After the market failed to breach the technical barrier of 62 EUR/t, prices have now started falling sharply and yesterday, the benchmark contract closed at 54,55 EUR/t, a loss of nothing less 4,01 EUR/t. The market opens Wednesday with a recovery.

Hydro



Wednesday morning, the Nordic weather forecasts continue to signal mainly wet conditions during the forthcoming ten days. We will likely see a few dry, cold days in the middle of the period, but in total, the low-pressure weather is set to dominate. The outlook is more or less unchanged from yesterday and should be rather neutral for the Nordic power market.

Germany



With rather sharp losses on both the gas, coal and carbon markets, the German power market edged down as well Tuesday. The downside was strengthened by the fact, that weather forecasts remain above average in terms of temperatures and wind power production for the next week. Wednesday, we could see a recovery as the gas and carbon markets appear to rebound as well.

Equities



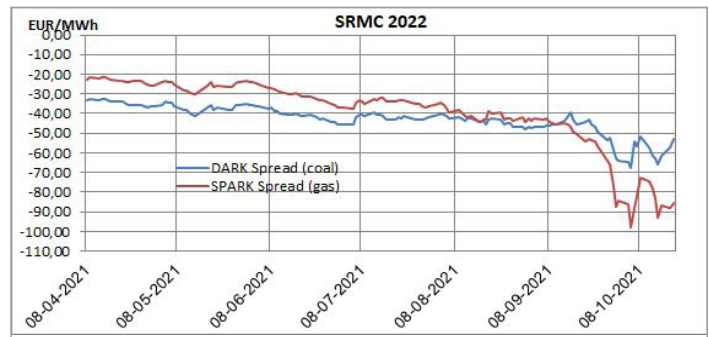
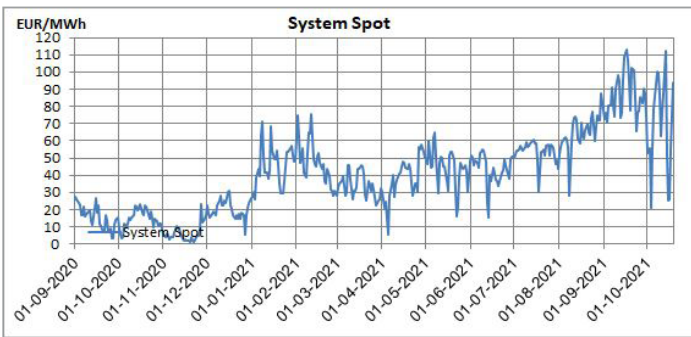
The bullish sentiment from the US markets late Monday continued in Europe yesterday, where the Stoxx600 Index climbed by 0,33 % thanks to the strong tech sector. The first signals from Asia early Wednesday are rather mixed, but we expect further gains on the main European indexes once the market opens.

Conclusion



The Nordic power market has moved independently from fuels, carbon and German power for some time, but yesterday, Nordic power prices fell along with the related markets. This despite some mixed signals from the weather forecasts. The Q1-22 and YR-22 contracts fell to 65,70 EUR/MWh and 38,40 EUR/MWh respectively. Today, the market opens sideways and we expect a neutral or slightly bullish session.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
18-okt	181,37	181,37	123,92	151,30	94,13	134,74	93,99	November	150,60	155,10	83,60	140,60	86,35	104,60	70,60
19-okt	148,93	147,44	143,75	143,94	139,25	146,26	90,78	Q1-22	143,70	146,70	77,45	142,70	89,80	97,20	65,70
20-okt	57,62	39,02	39,02	39,02	39,02	82,26	29,00	2022	101,90	106,40	43,78	104,85	59,10	54,15	38,40



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