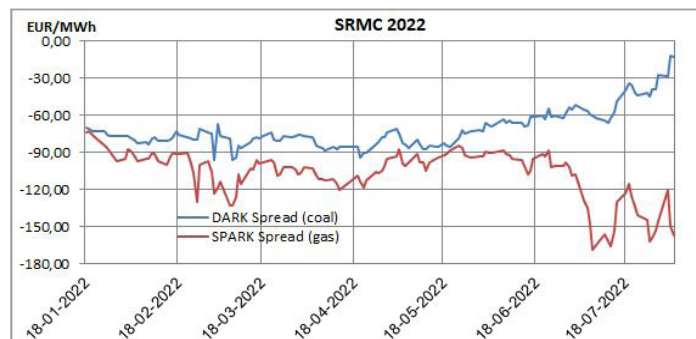
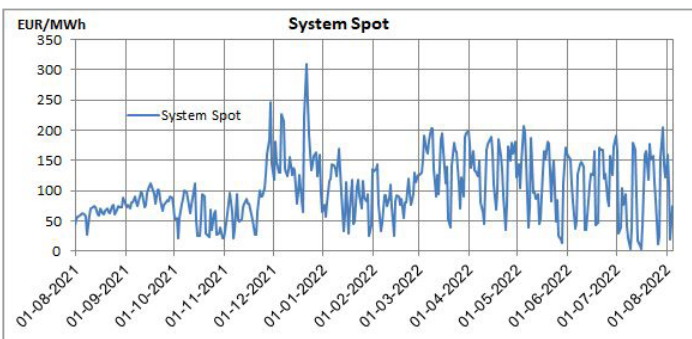


Expectation

- Oil** Oil prices continued to fall Thursday, with the Brent front month contract settling the day at 94,12 USD/bbl. This is the lowest price level the market has experienced since the war outbreak in Ukraine, and is attributed to both concerns about global demand due to rising US inventory levels, and to the fact that OPEC earlier this week agreed to increase production more than already planned. The market opens with a minor rebound early Friday.
- Gas** European gas prices remain elevated, with the front-month contract on the Dutch TTF gas hub still trading around 200 EUR/MWh. During the last couple of days however, the market appears to have consolidated a bit following the massive increases caused by the reduced flows on Nord Stream 1. Further price jumps are however very likely if gas supply from Russia to the EU ceases completely.
- Coal** Prices continued to fall on the European carbon market yesterday. Stock levels at the big European coal terminals are high, and it is difficult to transport the coal further into Europe due to low river levels caused by heat wave on large parts of the continent. This topic will remain in focus in the coming time, although expected higher demand due to the EU's gas-saving plan limits the downside.
- Carbon** After rising more than 10 % during the previous week, the European carbon market made a minor downwards adjustment yesterday. The market has been elevated recently by reduced auction supply and lower production from the French nuclear reactors, and now finds itself in the 80-90 EUR/t trading range where it has been trading for most of the last months.
- Hydro** Ahead of the weekend, the Nordic weather forecasts suggest rising temperatures next week, following a rather cold end to this week. In total, the 10-day outlook is just around or slightly above seasonal average in terms of both temperatures and precipitation, but the low water reservoir levels remain a bullish factor for the Nordic power market.
- Germany** German power prices rose further early yesterday, with the country's 2023 contract trading above 400 EUR/MWh most of the day. Before closing however, the market retreated again and the contract closed at 398 EUR/MWh, largely unchanged for the day, as the rally on the gas market has calmed down a bit recently. We can however very well see the market return to the uptrend soon enough, and the first indications Friday are bullish.
- Equities** There were no big fluctuations on the international stock markets Thursday, where the European markets rose marginally, while the US markets edged slightly down later in the day. The markets traded largely sideways, possibly awaiting Friday's US job report, which will provide some signals of the effect of interest rate hikes and the rising inflation on the country's economy. We expect sideways trading until the report comes out this afternoon, from which point on we might see some fluctuations if it varies from the expectations.
- Conclusion** The Nordic power market avoided further price climbs for a second straight session yesterday, but the overall bullish sentiment on the market remains intact. It is therefore very likely that prices will start climbing again soon, as gas supply to Europe is limited while the Norwegian hydro power producers have been instructed to save water ahead of the upcoming autumn and winter. Due to these factors, we also consider price climbs as the most likely scenario today, with rising German power prices supporting the upside.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
03-aug	295,17	277,35	4,42	4,42	10,16	236,97	19,87	September	363,00	363,00	181,75	280,00	257,00	243,00	173,00
04-aug	380,11	334,23	7,55	7,55	7,55	241,89	74,02	04-22	437,00	437,00	259,20	368,18	332,00	317,00	255,00
05-aug	362,82	360,05	17,94	17,94	50,52	236,41	108,65	2023	304,88	312,00	160,00	260,00	176,00	202,50	152,50



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