

## Expectation

Oil



On the oil market, prices continued to fall Thursday, as the fundamental outlook was more or less unchanged, with ongoing concerns about global demand suffering from the US-China trade war which started this week. The Brent front month contract closed the day at 74,29 USD/bbl. Early Friday, we see at least an initial rebound, possibly as a result of the US imposing new sanctions on Iran in an effort to curb the country's oil exports and give up on its nuclear ambitions.

Gas



Colder weather forecasts for large parts of the continent continued to drive up European gas prices yesterday. Storage levels are now only at 50 % of capacity, a massive 17 % lower than the same time last year. Meanwhile, the market is nervous about the effects of the trade wars. On the one hand, the US-China conflict could cause more LNG to head to Europe instead of China, but on the other hand, Europe itself could be on the verge of a trade war with the US in the upcoming weeks. The market retreats ahead of the weekend.

Coal



Yesterday, the European coal market edged up for a second straight day, riding on the back of the currently very bullish coal market. Even though gas prices are at the highest level in 15 months, coal still trades well below the levels from New Year as demand is weak and there are no signs of it picking up noticeably anytime soon.

Carbon



European carbon prices rose yesterday, although the increases were not quite as substantial as the ones we have seen previously the last few weeks. The benchmark contract, EUA Dec-25, closed at 81,93 EUR/t, as buying activity remains high among speculative investors. Early Friday, the market appears to retreat along with gas.

Hydro



Ahead of the weekend, we still see quite dry, cold and calm weather conditions for the coming weeks in the Nordic area, but the most recent outlook does suggest, that we could see the situation normalize at the end of week 8. This is a somewhat bearish signal for the Nordic power market, although the weakening hydro balance limits the downside.

Germany



Yesterday, the German power market continued the uptrend, tracking the bullish signals from gas and carbon. The country's 2026 contract closed at 99,12 EUR/MWh after briefly trading above the 100 EUR/MWh marker for the first time in more than a year. This morning, the overall sentiment is bearish however and prices should also fall on the German market.

Equities



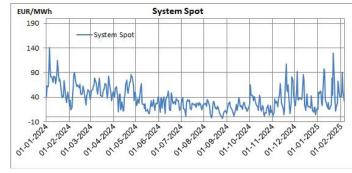
The good mood on the European stock markets continued Thursday due to strong financial statements from several large companies and interest rate cuts from the Bank of England. The US markets were also up later in the day. Today, all focus will be on the US job report for January where the market is expecting a slowdown in job growth.

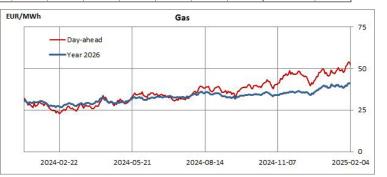
Conclusion



Nordic power prices fell modestly yesterday, and have now retreated for two straight days due to somewhat milder and windier conditions for the Nordic area looking at the last parts of February. The O2-25 and 2026 contracts fell to 25,15 EUR/MWh and 36,85 EUR/ MWh respectively. The market looks set to continue down today but the price falls are still nowhere near as noticeable as the increases we have seen the last couple of weeks.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
05-feb	91,14	116,19	26,98	45,62	7,03	48,09	33,11	March	93,40	93,40	45,42	54,68	69,40	59,97	44,40	Day-ahead	53,70
06-feb	138,08	146,57	81,19	107,23	55,95	99,30	47,67	Q2-25	78,78	77,26	22,88	36,63	31,63	39,19	26,13	Year 2026	41,90
07-feb	101,58	109,02	49,03	89,86	9,62	80,63	49,31	2026	83,75	83,25	36,25	50,47	45,80	47,91	37,00		







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