

### NORDIC ELECTRICITY MARKET

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#### WEATHER CONTINUES TO BE CHILLY FOR THE TIME OF YEAR FOR THE TIME BEING

Forecast to week 17:	
ENOFUTBLQ3-21	↔ Sideways (± 0,5%)
ENOFUTBLQ4-21	↔ Sideways (± 0,5%)
NP System	↗ Bullish (>0%)
NEDEC21	↗ Bullish (>0%)

#### FORECAST TO WEEK 17

#### POWER FUTURES

##### Front quarter

The weather is cold for the time of year and will remain colder than normal for the time being. Chilly weather means melting is slow and flow rates will remain low for now. The chilly weather and lower than normal flow rates will support spot prices and the very nearest future products. Also, the dry weather is supportive of near products but on the other hand the weather forecasts are showing signs of an end to the dry weather type next week. The weather is likely to turn slightly wetter than normal next week. However, no major changes in the hydro balance are expected in the two-week forecast period and for the time being we expect near products to move close to last week's emission levels.

##### Annual products

The weather picture across Europe will remain cold for the time being and this will maintain support for emission allowance, natural gas and coal prices. However, the correlation between the marginal cost prices of fuels and prices of annual products has remained weak. Near products are not currently providing clear signals to annual products. For the time being, we expect annual products to seek direction close to current levels.

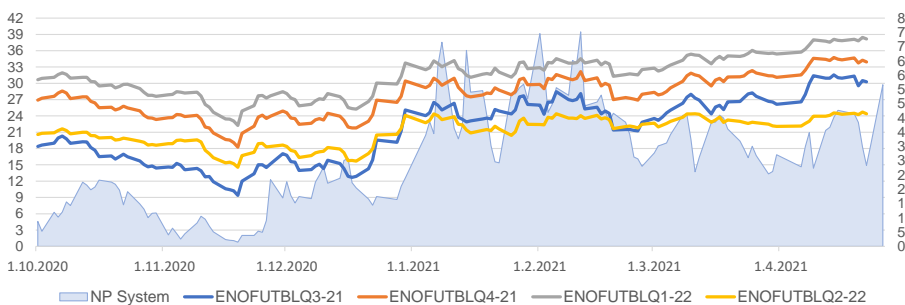
#### SPOT MARKET

The weather is cold for the time of year. Temperatures will rise slightly but for the time being the weather will continue to be colder than normal. The chilly weather means that flow rates will be clearly lower than normal and will fall towards the end of the week. Nordic wind power production will be largely weak, and the weather will not be very windy during the first half of the week. The Olkiluoto 1 unit has now been taken out of production for annual maintenance. Wind power production in Finland will also be mostly weak. We expect spot prices to rise at the weekly level. We expect the system price to settle at an average level of €52.0/MWh and the Finnish area price to settle at an average level of €56.0/MWh.

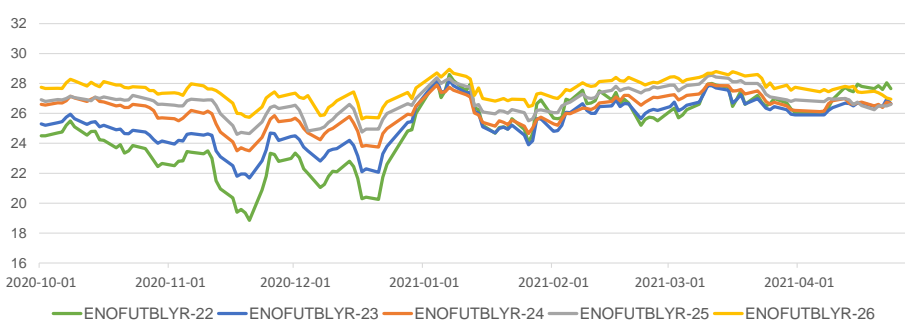
#### EMISSIONS

Friday this week is the last surrender date for emission allowances, but it seems that most buying needs have already been met. A slight softening on the fuel markets was seen last week but slightly chillier than normal weather in Europe continues and this may bring support to these markets. The emission allowance price is technically very strong. However, the RSI indicates that the DEC-21 product has been overbought. We expect the market to continue to show a small rise.

Quarters EUR/MWh (left), NP System EUR/MWh (right)



Years EUR/MWh



#### Market signals

	spot	Q3-21	YR-22
Hydrologic balance	→	→	→
Precipitation forecast	→	→	→
Temperature forecast	↑	→	→
Spot	↓	↑	↑
Production and transmission exch.	→	→	→
Emissions allowance	↑	↑	↑
Coal price	↑	↑	↑
German prices	↑	↑	↑
Technical analysis	↓	↑	↑

Product	Date	Value	% chg	Chg (EUR)
ENOFUTBLQ3-21	23.4.2021	30.27	-2.5%	-0.78
ENOFUTBLQ4-21	23.4.2021	33.93	-1.5%	-0.52
ENOFUTBLQ1-22	23.4.2021	38.15	0.7%	0.25
ENOFUTBLQ2-22	23.4.2021	24.40	-0.2%	-0.05
ENOFUTBLYR-22	23.4.2021	27.65	-0.5%	-0.15
ENOFUTBLYR-23	23.4.2021	26.65	-0.2%	-0.05
ENOFUTBLYR-24	23.4.2021	26.65	-0.4%	-0.10
ENOFUTBLYR-25	23.4.2021	26.60	0.3%	0.08
ENOFUTBLYR-26	23.4.2021	26.95	-1.6%	-0.45
NEDEC21	23.4.2021	46.88	5.6%	2.48
NEDEC22	23.4.2021	47.33	5.7%	2.54

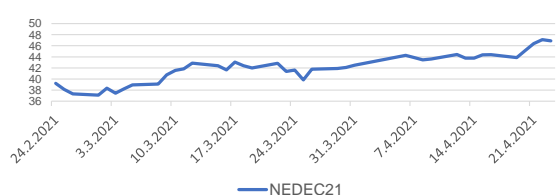
#### EPAD settlements

23.4.2021 (€/MWh)	2021	2022	2023
SYHEL	7.65	4.90	4.60
SE1 - NP System	-5.50	-5.50	-5.50
SE2 - NP System	-5.50	-5.50	-5.50
SE3 - NP System	3.75	3.70	3.40
SE4 - NP System	15.00	8.50	8.50

#### Week's spot price change

Price area (€/MWh)	Date	Value	% chg	Chg (EUR)
NP System	25.4.2021	36.32	-18.1%	-8.01
NP Area FI	25.4.2021	31.24	-27.2%	-11.69
NP Area SE1	25.4.2021	22.48	-12.3%	-3.15
NP Area SE2	25.4.2021	22.13	-13.6%	-3.49
NP Area SE3	25.4.2021	24.29	-40.2%	-16.33
NP Area SE4	25.4.2021	24.29	-40.2%	-16.33

#### Carbon EUR/CO2 t



COMMENTS ON WEEK 16

**POWER FUTURES**

**Front quarter**

The weather at the start of last week was warm and dry. However, after the early part of the week, the weather type turned, and rainfall amounts increased. At the same time, the weather turned chilly for the time of year. Rainfall amounts in the two-week forecast period approached the normal level and so there were no significant changes in sight in the hydro balance. No great changes were ultimately therefore seen in near products at the weekly level.

**Annual products**

The weather picture across Europe was cold for the time of year and this maintained upward pressure, especially in the price of natural gas. The cold weather picture and strong price of natural gas also kept coal and emission allowance prices buoyant. However, the end of the week saw a downward correction in fuel prices. There were ultimately no significant changes in the prices of annual products at the weekly level.

**SPOT MARKET**

Last week started on a warmer note than normal for the time of year but temperatures dropped to lower than normal in the second half of the week. Nordic wind power production was weak in the early part of the week but rose to a high level at the end of the week. High wind power production meant that the Finnish area price fell at times to a low level. Spot prices were well down at the weekly level and at the weekly level the Finnish area price settled at lower than the system price.

**EMISSIONS**

Last week, the emission allowance price remained on an upward trajectory and rose to new records almost daily. The rise on the market was due to last minute purchases for surrenders as well as occasional signals from emission auctions. The EU also reached agreement on the 55% emissions target for 2030 and Biden's climate commitment could have brought psychological support to the market. Thursday saw the EUA reach its highest price level so far at €47.35/t. On Friday, the market closed up €2.53 at the weekly level.

Indicator	ENOFUTBLQ3-21	ENOFUTBLQR-22
Coal-fired production	71 %	62 %
Coal price	78 %	63 %
Gas price (NBP)	6 %	85 %
German price level	57 %	53 %
Spot	61 %	48 %
Crude oil Brent	95 %	68 %
Water reservoirs	59 %	58 %
EUR/USD FX rate	1 %	2 %
Temperature	8 %	5 %
Precipitation	16 %	13 %

**Definition**

The above figures measure the ability of market determinants to describe the price changes occurred in last 6 months. The affect is measured as Coefficient of Determination\*. Each variable is evaluated independently. We use a color scale to demonstrate efficacy, green (strong), yellow (moderate), red (weak)

Forecast history	16	Chg	15	Chg
ENOFUTBLQ3-21	↗	-2.5%	↗	3.7%
ENOFUTBLQR-22	↗	-0.5%	↗	3.2%
NP System	↘	-18.1%	↗	72.9%
NEDEC21	↗	5.6%	↗	1.8%

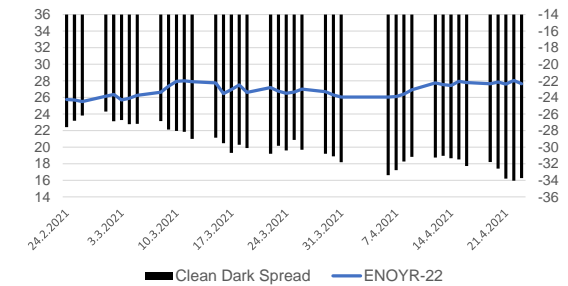
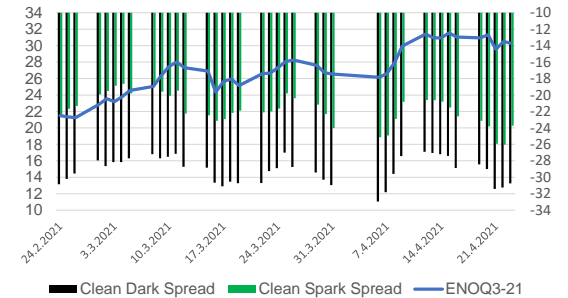
DETERMINANTS AFFECTING THE MARKET ON WEEK 17

**RESTRICTIONS IN PRODUCTION AND TRANSMISSION CAPACITY**

- Oikiluoto 1 (890 MW), maintenance 25.4.-10.5.2021, in use 0 MW
- Forsmark 2 (1118 MW), maintenance 12.4.-2.5.2021, in use 1018 MW
- Forsmark 2 (1120 MW), maintenance 2.5.-30.5.2021, in use 0 MW

- FI-SE3 (1200 MW), limitation till 30.9.2021, in use 250 MW, 12.4.-27.4.2021 0 MW
- EE-FI (1016 MW), maintenance 26-28.4.2021, in use 658 MW

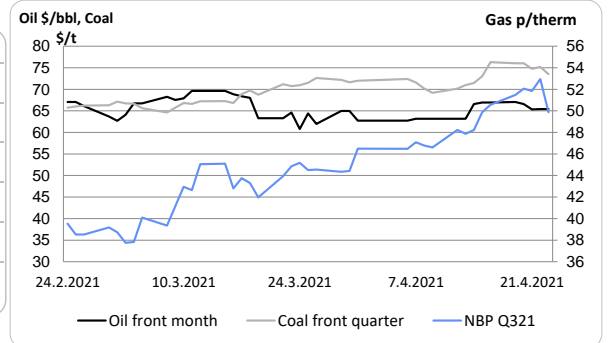
- Nordic nuclear power plants are currently operating at a capacity utilization rate of 90 %
- RU-FI transmission profile varies due to capacity payments, average imports from Russia last week were 39 % of the maximum



**AVERAGE SPOT PRICE AND EPAD**

Price area (€/MWh)	2013	2014	2015	2016	2017	2018	2019	2020	2021*
NP System	38.1	29.6	21	26.91	29.41	43.99	38.94	10.93	40.61
NP Area FI - NP System	3.10	6.40	8.70	5.54	3.78	2.81	5.10	17.28	4.64
NP Area SE1 - NP System	1.10	1.80	0.20	2.04	1.43	0.24	-1.00	3.60	-6.50
NP Area SE2 - NP System	1.10	1.80	1.00	2.04	1.43	0.24	-1.00	3.60	-6.52
NP Area SE3 - NP System	1.40	2.00	1.00	2.33	1.83	0.55	-0.58	10.53	1.57
NP Area SE4 - NP System	1.80	2.30	1.90	2.62	2.77	2.37	0.86	15.06	6.74

\*Average for period between 1.1.2021-26.4.2021.



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