

Expectation

Oil



Tuesday was a rather neutral day on the international oil market, where mixed signals ended up offsetting each other to some extent. The global recession fears amid the ongoing bank crisis in the US and fading growth signals from several parts of the world continue to add bearish pressure to the market, but this was largely outweighed yesterday by news of supply disruptions in Canada due to wildfires. Prices are falling early Wednesday.

Gas



Despite prospects of lower supply from Norway due to maintenance work, the European gas market remains well supplied and continued downwards yesterday. Both prompt and day-ahead contracts have fallen to the lowest level in more than a year recently, and there are no signs of any major changes in fundamentals to change the development.

Coal



European coal prices also continue to decline steadily, with the API 2 2024 contract closing Tuesday at 107,84 USD/t, down around 5 USD/t for the day. Stock levels remain high, both in Europe and in Asia, and due to the high competition from gas, demand has decreased. We could very well see the downtrend continue in today's session.

Carbon



In contrast to the fuel markets, the European carbon market managed to rebound yesterday, with the benchmark contract rising to 88,59 EUR/t, before continuing the uptrend early Wednesday. The uptrend is likely the result of technical signals as there have been no noteworthy changes to the fundamental situation on the market.

Hydro



Following the cold next couple of days, temperatures in the Nordic area are set to increase again towards the end of the week, and next week looks rather warm. Meanwhile, precipitation is expected to decrease as well next week, and the total level during the next ten days is expected at 80-90 % of seasonal average.

Germany



As the gas market continues its steady decline amid an unchanged fundamental situation of strong supply, the German power market edged further down as well yesterday. The country's 2024 contract fell to 136,57 EUR/MWh, and we expect a somewhat neutral session today, where the gas market appears to trade sideways as well.

Equities



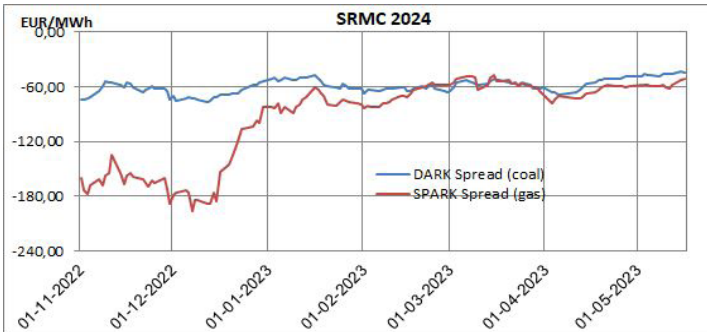
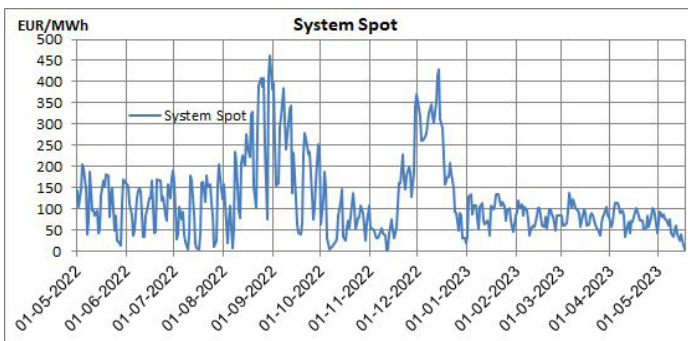
Tuesday, the US congress once again failed to agree on a new agreement on a debt ceiling, but the negotiations do continue. Both the European and the US stock markets edged down, with rising interest rates adding to the bearish sentiment. The first signals today are rather neutral in Asia and we expect sideways trading in Europe as well.

Conclusion



There were no big fluctuations on the Nordic power market yesterday, where the short end of the curve rose modestly amid drier long-term weather forecasts, while the long end edged slightly down along with fuels and German power. The Q3-23 and 2024 contracts ended up closing the day at 54,00 EUR/MWh and 69,25 EUR/MWh respectively. Today, Nord Pool is closed due to public holiday in Norway.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
15-maj	113,49	113,50	38,26	112,62	24,51	79,02	40,02	June	81,00	76,25	36,36	55,00	34,50	69,00	43,00
16-maj	56,22	55,23	39,12	55,23	13,07	55,64	26,11	Q3-23	91,50	93,00	49,79	65,00	52,85	85,00	54,00
17-maj	47,03	27,57	8,00	27,57	0,42	44,19	4,09	2024	120,88	119,75	65,34	81,28	60,12	97,25	69,25



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