







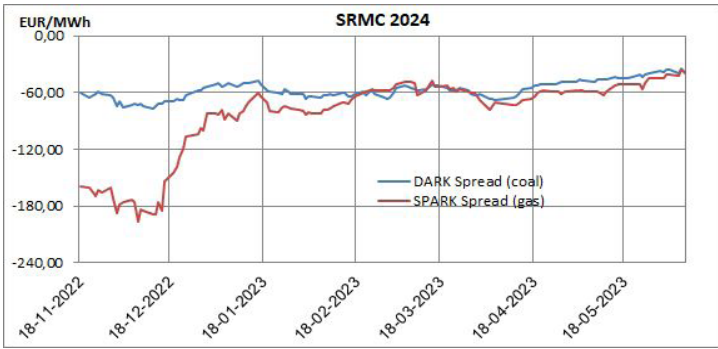
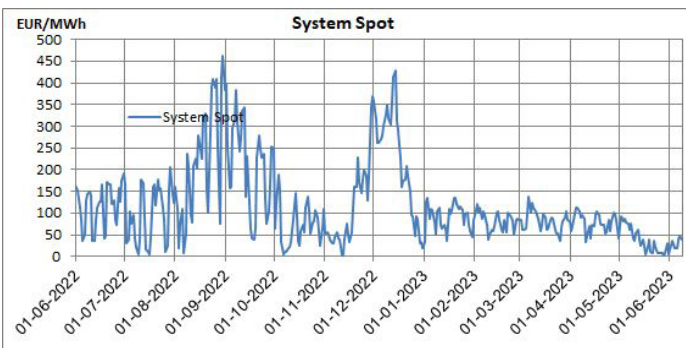


Morning Report June 8 2023

Expectation

- Oil**  Oil prices started rising again yesterday, as the pending supply cuts from Saudi Arabia are currently overshadowing the bearish fundamentals on the market, including the weakening economic signals from China. As Saudi Arabia has announced a supply cut of an additional 1 million barrels per day in June, the market is adjusting ahead of this, with the Brent front month contract yesterday climbing to 76,95 USD/bbl, before trading sideways early Thursday.
- Gas**  Following the sudden fierce price jump Monday, the European gas market has calmed down somewhat, with minor fluctuations the following sessions. Yesterday, prices climbed once again, as supply concerns regarding both LNG and intercontinental gas overshadowed the relatively low demand we see at the moment. The first signals Thursday point towards another day of modest fluctuations.
- Coal**  On the coal market, prices rose Wednesday, once again following the movements on the gas market. The API 2 2024 contract was up around 4 USD/t, closing at 105 USD/t, as demand remains muted due to the big price falls on the gas market in the recent months, which have led to coal largely being pushed out of the energy mix in Europe.
- Carbon**  We saw a modest upwards adjustment on the European carbon market yesterday, where the benchmark contract, the EUA Dec-23, rose around 2 EUR/t and closed at 83,54 EUR/t. The uptick was attributed to rising gas prices and to bullish technical signals, as a lot of speculative investors have taken on short positions recently. Today however, the market opens with a downwards correction.
- Hydro**  There are no major changes to the Nordic weather outlook today, with precipitation amounts still expected minimal during the next two weeks, with an ensuing growing hydro balance deficit. Temperatures are set to remain above average. Wind output will be very low in the high-pressure weather, which continues to offer bullish support to the Nordic power market.
- Germany**  Yesterday, the German power market edged up along with the fuel and carbon markets. The very warm weather forecasts for the country, with temperatures expected above average for the entire period, added to the upside. The country's 2024 contract rose 3 EUR/MWh to 122 EUR/MWh and we expect falling prices today amid bearish carbon.
- Equities**  Higher interest rates in Canada and fears of new interest hikes from the central banks led to reduced risk appetite in both Europe and in the US yesterday. The stock markets edged down as a result, with focus today also turning to the newest economic key figures from the Eurozone, as the first signals from the Asian markets early in the morning are bearish again.
- Conclusion**  Wednesday, the uptrend on the Nordic power market came to an end following several straight days of rising prices. Both on the short and the long end of the market, prices fell modestly, but the contracts are still noticeably higher than they were a week ago amid the very dry outlook and the increasing hydro balance deficit. The Q3-23 and 2024 contracts rose to 58,00 EUR/MWh and 69,63 EUR/MWh respectively, but due to the very dry forecasts with minimal wind output, we could very well see a rebound today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
06-jun	97,41	97,41	18,41	96,45	17,42	50,38	40,25	July	79,25	75,63	42,00	57,50	40,50	74,00	48,00
07-jun	100,93	100,93	27,95	100,20	27,95	59,82	46,24	Q3-23	86,00	86,00	52,25	67,00	56,00	81,00	58,00
08-jun	84,52	84,52	24,38	84,28	24,19	57,93	37,96	2024	108,88	107,88	64,73	82,63	61,13	94,63	69,63



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