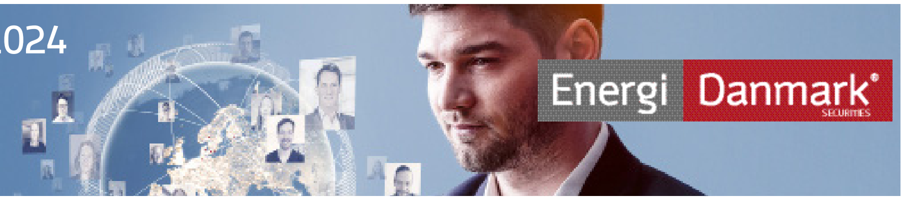
Morning Report January 19 2024



	Expectation	
Oil	→	International oil prices rose to the highest level in almost a month yesterday and although the market remains within the rather narrow trading range around 80 USD/bbl, we see bullish signals at the moment. The Western airstrikes in Yemen continue as a reaction to the ship attacks in the Red Sea, causing further uncertainty about the situation in the Middle East. Furthermore, supply disruptions in Libya added to the upside. The market opens sideways early Friday.
Gas	↗	On the gas market, we saw a modest uptick yesterday following several bearish days earlier in the week. The market also has eyes on the situation in the Middle East, as the crisis has so far been unable to cause any noticeable price jump on gas in Europe. The sentiment remains bullish early Friday, which could be attributed to somewhat calmer and colder forecasts for Northern Europe.
Coal	↗	European coal prices fell yesterday, and the API 2 2025 coal contract continues to trade just around 100 USD/t. Despite the lack of correlation yesterday, we expect the market to remain more or less aligned with gas in the nearest future and it would take a price jump on the gas market for coal to make any noteworthy climbs itself.
Carbon	↗	Thursday was a rare bullish day on the European carbon market, where the market recovered slightly from the two-year lows of the previous close, likely as a result of rising gas prices and geopolitical uncertainty. The market rises further along with fuels and German power early Friday, but the overall sentiment remains bearish however as demand is low.
Hydro	→	Ahead of the weekend, we see a confirmation that the weather is about to turn significantly milder in the Nordic area. Already from Sunday and onwards, temperatures will rise to above average for the first time in quite a while, and precipitation amounts and wind output is expected to increase as well. The outlook, largely unchanged from yesterday, appears neutral for the Nordic power market Friday morning.
Germany	↗	Thursday, the rising gas and carbon markets managed to change the sentiment on the German power market as well, leading to a modest recovery. The country's 2025 contract climbed to 81,30 EUR/MWh and we expect the uptrend to continue Friday where gas also rises early in the day due to cooler and calmer forecasts for the coming weeks.
Equities	↗	Since the start of the year, the optimism has faded out of the financial markets, but we saw at least a temporary recovery yesterday. Focus does however continue to center around interest rates and the fading hopes that the central banks will cut rates anytime soon. The markets open bullishly early in Friday's session as well.
Conclusion	↗	The Nordic power market faced mixed signals yesterday and at the end of the day, most contracts had not seen any noteworthy fluctuations. The Q2-24 and 2025 contracts closed the day at 37,05 EUR/MWh and 41,25 EUR/MWh, largely unchanged from Wednesday. Today however, we could see the bullish sentiment dominate, as the market focuses on rising prices on the gas market as well as the German power market, although mild forecasts for the coming week curb the upside.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
17-jan	97,52	98,34	96,43	96,47	110,31	96,43	84,14	February	70,10	73,13	58,75	64,15	77,75	74,50	62,00	Day-ahead	28,74
18-jan	92,40	92,41	90,31	90,61	82,37	91,45	72,99	Q2-24	60,05	54,05	31,05	42,30	42,05	49,05	37,05	Year 2025	32,23
19-jan	77,69	81,74	81,74	81,74	84,33	81,71	75,71	2025	75,00	75,45	36,20	48,70	44,70	53,70	41,20