

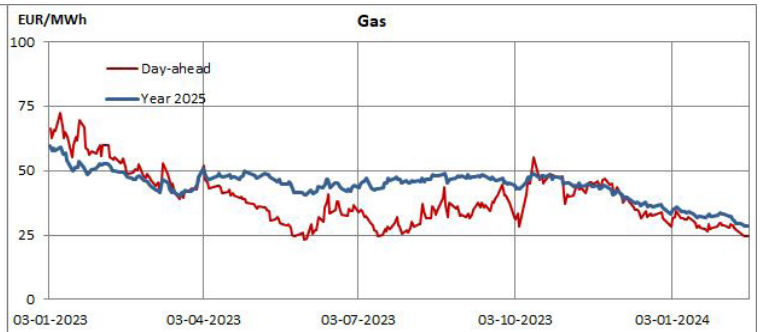
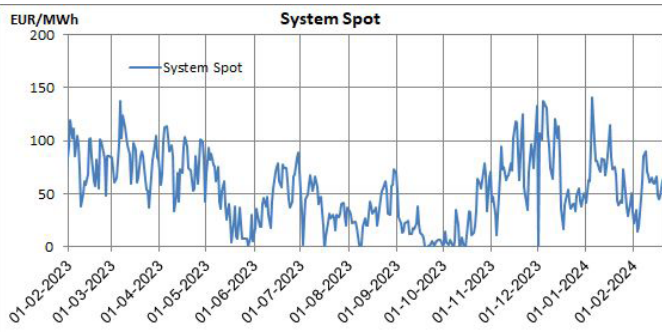
Morning Report February 20 2024



Expectation

- Oil** Despite the rapid decline we see on other fuel markets at the moment, the oil price does not edge down. This despite the ongoing fears of a new recession, which has been brought back to life following disappointing key figures from both China and the US lately. The oil market traded sideways yesterday, with the Brent front month contract closing at 83,56 USD/bbl. The market opens sideways again Tuesday, with the ongoing geopolitical concerns unable to lift the market.
- Gas** European gas prices continued their steady falls yesterday. The weekend did not offer any changes to the bearish fundamental situation, with mild weather and prospects of more mild weather to come in Europe. The storage levels are above average, around 65 % at the moment, and everything suggests that we will both get through this winter without any supply issues and start next winter with filled storages.
- Coal** Coal is largely out of the money and its role in the European energy mix is very limited given the current circumstances and the continuously falling gas prices. There are no signs that the situation will change anytime soon and the coal price dropped below 90 USD/t yesterday and we expect the level to remain around that point today.
- Carbon** The continuously weak gas and power markets weigh bearishly on the European carbon market at the moment. The market has now dropped 33 % since New Year, with the benchmark contract now heading for 50 EUR/t for the first time in two and a half year. The market opens sideways today but will remain correlated with gas.
- Hydro** Temperatures in the Nordic area are expected to remain above average during the forthcoming two weeks at least. The next few days look very mild, with a level 5-6 degrees above average. Precipitation amounts are also expected very high, at periods more than three times higher than normal and the outlook is of course bearish for the Nordic power market.
- Germany** This week started like last week ended, with steadily falling prices on the German power market. The country's 2025 contract fell another 3 EUR/MWh to 69 EUR/MWh, the lowest price level in around two and a half year. As long as the fundamental situation on the gas market does not change, and the weather forecasts look mild, the market remains bearish, although the first signals Tuesday are more neutral.
- Equities** Monday was a rather quiet day on the international stock markets. The US markets were closed due to public holiday and in Asia, the markets are slowly returning following New Year's holiday. The first signals Tuesday from Asia are bearish as the concerns about the state of the Chinese economy continue, and we could see losses in Europe as well later in the day.
- Conclusion** Mild and wet weather forecasts, falling spot prices and losses across the related markets form a continuously bearish cocktail for the Nordic power market, where futures contracts continue to decline steadily. Monday, the Q2-24 and 2025 contracts fell to 27,15 EUR/MWh and 36,00 EUR/MWh. The market appears to stabilize early Tuesday, but the downtrend could resume soon, as it has been the case often over the previous few weeks.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
18-feb	53,18	46,67	38,76	45,78	38,18	52,91	48,21	March	49,15	52,08	38,90	43,95	59,15	53,90	44,15	Day-ahead	23,33
19-feb	63,65	63,69	62,78	63,46	64,36	62,70	63,28	Q2-24	48,40	49,28	21,65	32,65	31,90	38,65	27,15	Year 2025	27,88
20-feb	59,95	58,51	55,84	58,29	67,49	58,74	57,53	2025	66,50	64,13	31,00	42,00	40,75	48,00	36,00		



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.