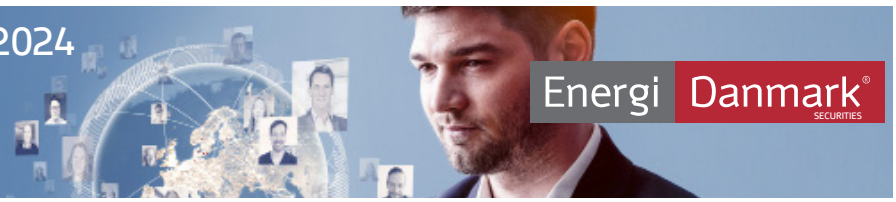
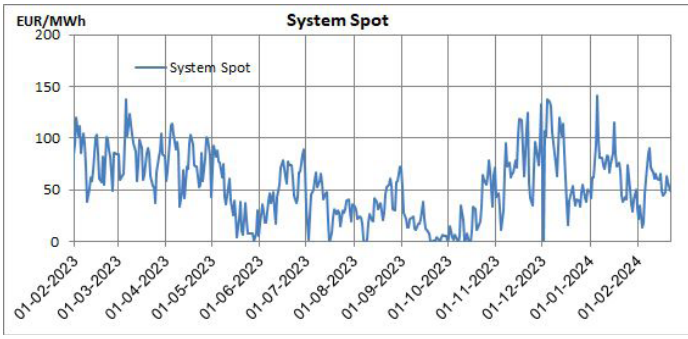
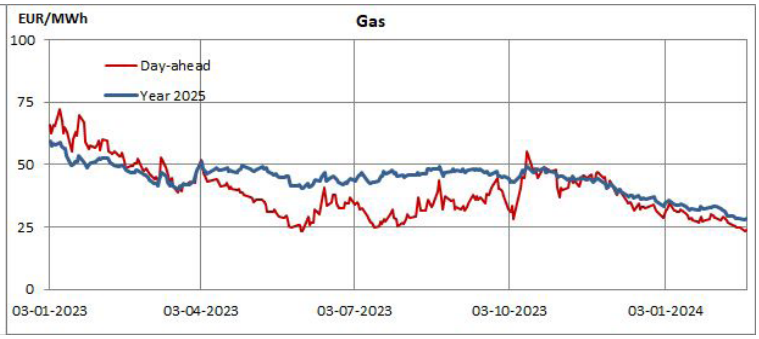
Morning Report February 21 2024



	Expectation	
Oil	→	Tuesday, we saw a modest decline of around 1 USD/bbl on the oil market, where the Brent front month contract closed at 82,34 USD/t. The market has generally been rising over the past month amid supply concerns and signs of growing global demand, but the most recent economic data indicates that the US Fed will not lower interest rates anytime soon. This led to a downturn yesterday amid fears of lower demand and the market opens sideways Wednesday.
Gas	↘	We saw a marginal rebound on the European gas market yesterday, but with a modest increase and no changes to the fundamental situation, the market remains overall bearish. Temperatures will remain above average in Europe well into March, and it is all but completely certain that Europe will both get through this winter and start next winter with a strong supply situation.
Coal	→	On the coal market, we also saw a modest upwards adjustment yesterday, and the API 2 2025 contract closed at 90,35 USD/t. It will take a noticeable change to the fundamental situation on the gas market before coal again becomes relevant, and that appears unlikely unless we see further escalation to the situation in the Middle East.
Carbon	→	After dropping to the lowest level in two and a half year in Monday's session, the European carbon market experienced a modest rebound yesterday. There are no changes to the fundamental situation however, as the market remains in somewhat of a perfect bearish storm. Increasing auction supply, low demand from both industry and utilities, mild weather forecasts keep the market under pressure.
Hydro	→	Early Wednesday, we still see a very mild weather outlook for the Nordic area, as temperatures are set to remain above average for the next two weeks at least. Precipitation is very high right now, but should decline over the coming week and with wind output also expected low, the outlook appears neutral for the Nordic power market.
Germany	→	In correspondence with the development on the fuel and carbon markets, the German power market also managed to make at least a short and modest recovery from the two-and-half year low levels yesterday. The country's 2025 contract closed at 70,35 EUR/MWh and we expect another largely neutral session today, as the forecasts look mild whereas gas and carbon rises modestly.
Equities	→	Following a long weekend, the US stock markets opened the week with losses yesterday, as the S&P 500 Index was down 1 % in what appeared as profit-taking following recent increases. The first signals from both Asia and Europe early Wednesday are mixed, but the fading hopes of interest rate cuts should curb any potential upside today.
Conclusion	↗	The Nordic power market experienced the same development as the fuel and carbon markets as well as the German power market yesterday, a modest rebound following some sharp losses during the previous several sessions. The market looks set to continue upwards today, which could indicate that the market is reluctant to fall further now, but the mild and wet weather forecasts and the subdued gas market should limit the upside significantly.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
19-feb	63,65	63,69	62,78	63,46	64,36	62,70	63,28	March	51,95	52,90	39,65	44,85	58,65	53,90	44,65	Day-ahead	23,89
20-feb	59,95	58,51	55,84	58,29	67,49	58,74	57,53	Q2-24	51,18	49,05	22,90	33,38	31,85	38,55	27,55	Year 2025	28,46
21-feb	50,99	49,01	46,85	48,87	46,85	50,34	48,82	2025	66,63	64,13	32,18	41,63	40,83	48,13	36,13		





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