

Morning Report March 15 2024

Energi Danmark[®]
SECURITIES

Expectation

Oil



International oil prices rose sharply for a second straight day Thursday, and with a closing price of 85,42 USD/bbl, the Brent front month contract is currently trading at the highest price level in around four months. Signs of improving demand in the US amid the most recent inventory data from the country have driven prices up recently and the geopolitical concerns add to the upside. The market opens modestly down early in Friday's session.

Gas



European gas prices rose modestly in Thursday's trading, but fluctuations on the market are still quite small as the fundamental situation remains unchanged. Europe exits the heating season in a good supply situation and it will take some unforeseen geopolitical events or a sudden return of late winter to cause a big upturn on the market right now.

Coal



The European coal market rose along with gas yesterday, but despite the recent increases, coal remains out of favor in Europe due to the low gas prices. The increases during the latest month have been caused by signs of growing demand in Asia and some supply concerns, with the API 2 2025 contract closing yesterday at 109 USD/t.

Carbon



Yesterday, the European carbon market rose along with gas and coal, but we do not see any major upside on the market going forward, amid the bearish fundamental situation on the fuel markets and the low coal consumption in Europe. The benchmark contract closed at 58 EUR/t and moves sideways early in Friday's session.

Hydro



There is drier and cooler weather on the way in the Nordic area, with both precipitation and temperature levels expected to fall below average during the next couple of days. No really hard winter weather is on the way should it however be emphasized. Nonetheless, the outlook appears modestly bullish for the Nordic power market since the hydro balance deficit is growing again.

Germany



German power prices climbed in Thursday's session, following the modestly bullish signals from gas, coal and carbon. There are no signs of a long-lasting uptrend however. We consider sideways trading most likely today, as an unchanged fundamental situation with strong gas supply and mild spring weather limited any upside significantly.

Equities



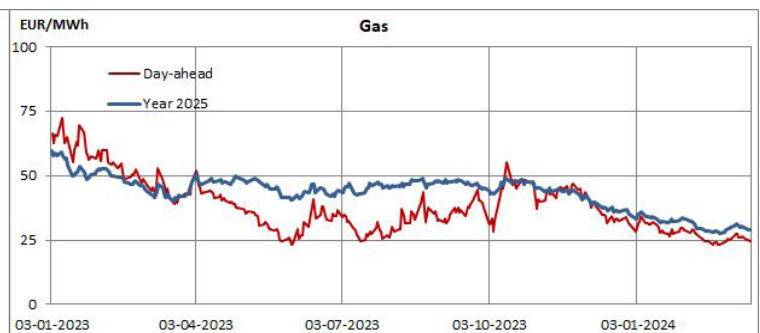
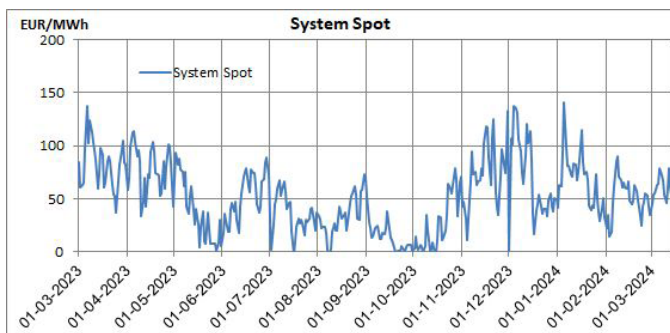
Following an otherwise strong week with record highs on the main indexes, we saw a downwards correction on the international stock markets yesterday. The European Stoxx600 Index fell 0,94 % and the US markets were also down later in the day on signs that inflation has not been completely tamed yet. The first signals from Asia Friday are quite bearish as well.

Conclusion



Thursday, the Nordic power market saw an initial downturn but recovered along with the related markets late in the day and both the short and the long end of the curve closed with modest gains. The Q2-24 and 2025 system contracts settled the day at 35,50 EUR/MWh and 38,95 EUR/MWh respectively. The upcoming drier and calmer weather conditions offer some bullish support, and we consider sideways trading or modest increases likely today.

| Spot | DK1 | DK2 | SE3 | SE4 | HEL | OSL | SYS | Forwards | DK1 | DK2 | SE3 | SE4 | HEL | OSL | SYS | Gas | TTF |
|--------|-------|-------|-------|-------|-------|-------|-------|----------|-------|-------|-------|-------|-------|-------|-------|-----------|-------|
| 13-mar | 63,95 | 68,31 | 56,20 | 65,47 | 69,44 | 60,61 | 60,49 | April | 53,55 | 54,55 | 43,10 | 49,85 | 45,10 | 54,35 | 46,35 | Day-ahead | 25,33 |
| 14-mar | 54,24 | 53,42 | 21,14 | 36,05 | 21,14 | 54,15 | 43,39 | Q2-24 | 50,98 | 52,85 | 30,25 | 42,35 | 35,50 | 44,50 | 35,50 | Year 2025 | 29,71 |
| 15-mar | 49,56 | 48,81 | 33,31 | 36,29 | 33,31 | 50,97 | 43,45 | 2025 | 72,70 | 69,70 | 34,00 | 44,95 | 43,20 | 49,45 | 38,95 | | |



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