

Morning Report March 19 2024

Energi Danmark[®]
SECURITIES

Expectation

Oil



This week opened like last week on the international oil market, with sharply rising prices. Following an increase of another 1,50 USD/bbl, the Brent front month contract closed the day at 86,89 USD/bbl, the highest closing level since October last year. The increases are attributed to Ukrainian drone attacks on Russian oil facilities, which cause concerns about the supply of Russian oil, although the consequences of the attacks are still difficult to measure.

Gas



On the first trading day of the week, European gas prices continued the uptrend from last week. An unplanned outage at a large Norwegian gas field caused some supply disruptions, which are expected to end today however. Meanwhile, we see signs of falling LNG supply to Europe. This is enough to cause rising prices right now, but despite the supply issues, there appears to be little risk that Europe will not be able to fill up their storages ahead of the next heating season.

Coal



Coal rose along with gas yesterday, but the market remains relatively subdued in Europe nonetheless due to the quite low gas prices. The recent increases caused by events in Asia, where demand in China is growing, do not change much on the fundamental situation in Europe and we expect the market to continue to correlate with gas in the nearest future.

Carbon



Yesterday, the uptrend continued on the carbon market, which managed to break through the technical resistance at around 60 EUR/t, with the benchmark contract closing at 61,43 EUR/t. The market responded to the uptrend on the gas market, but also appears to be bullish itself after the recent price drop to almost 50 EUR/t has attracted new buyers. The market continues upwards early Tuesday.

Hydro



Expected precipitation in the Nordic area during the forthcoming ten days is just around seasonal average, and the same goes for temperatures. The mildest and wettest period is expected to be the next 3-4 days, followed by drier conditions early next week. The outlook appears somewhat neutral for the Nordic power market Tuesday morning.

Germany



On the German power market, we saw rising prices Monday, which was no surprise given the uptrend on the gas, coal and carbon markets. At the end of the day, the country's 2025 contract had climbed to 82,15 EUR/MWh. The market continues upwards today and reaches the highest prices seen in more than two months.

Equities



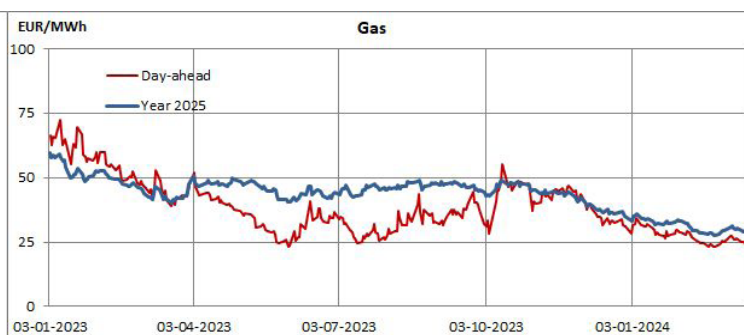
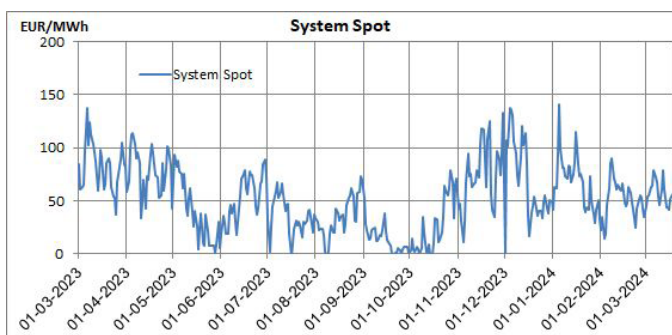
Monday, the European stock markets opened with losses once again, after the sharp downturn Friday. The market is focused on the upcoming interest meeting in the US Fed, which will likely be the most important event on the markets this week. Today, the first signals from Asia are mixed and we also see a hesitant opening in Europe.

Conclusion



The Nordic power market continued the uptrend as well Monday and following the increases of the day, the most traded futures contracts have now been rising for five straight sessions. With rather average weather forecasts, the increases are attributed to the ongoing price jump on the related markets, first and foremost German power, gas and carbon. We could very well see further increases Tuesday where German power also continues upwards.

| Spot | DK1 | DK2 | SE3 | SE4 | HEL | OSL | SYS | Forwards | DK1 | DK2 | SE3 | SE4 | HEL | OSL | SYS | Gas | TTF |
|--------|-------|-------|-------|-------|-------|-------|-------|----------|-------|-------|-------|-------|-------|-------|-------|-----------|-------|
| 17-mar | 59,21 | 52,41 | 49,01 | 50,10 | 49,01 | 57,13 | 51,54 | April | 57,68 | 58,13 | 45,35 | 52,13 | 45,13 | 56,88 | 48,88 | Day-ahead | 28,53 |
| 18-mar | 68,19 | 78,46 | 60,15 | 77,74 | 55,41 | 60,85 | 55,91 | Q2-24 | 55,70 | 54,25 | 32,25 | 44,75 | 35,45 | 46,50 | 37,50 | Year 2025 | 31,26 |
| 19-mar | 72,72 | 79,57 | 58,11 | 79,42 | 57,60 | 60,80 | 57,09 | 2025 | 77,03 | 75,08 | 34,58 | 45,83 | 44,33 | 50,33 | 39,83 | | |



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