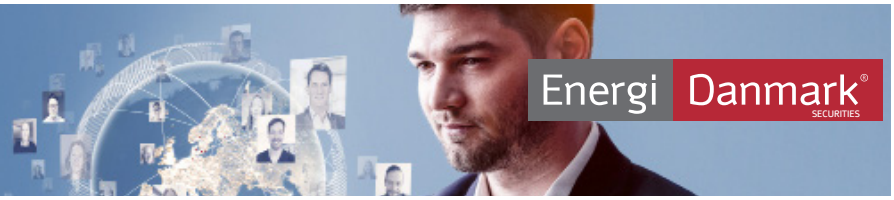
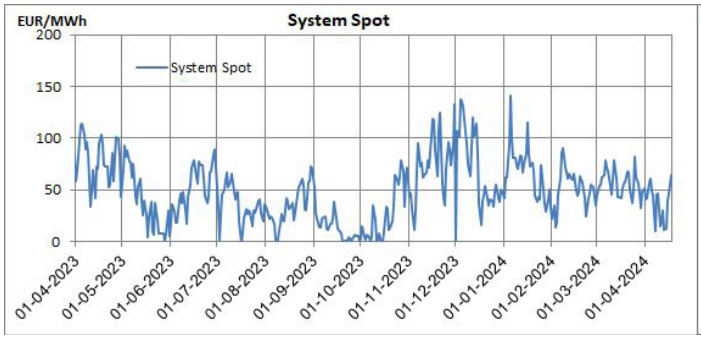
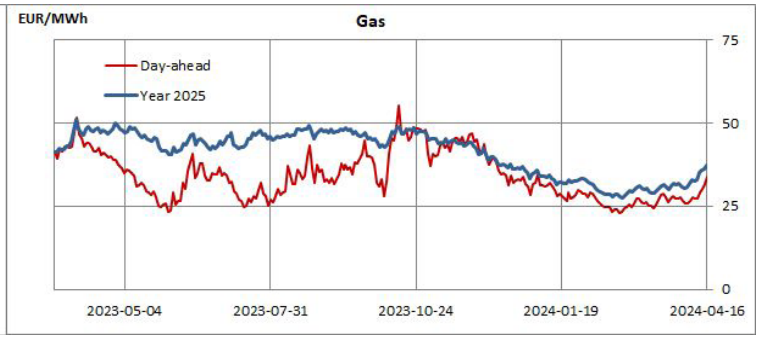
Morning Report April 17 2024



	Expectation	
Oil	→	Despite the rather sharp increases across the rest of the energy markets, the international oil market appears to have stabilized recently. The Brent front month contract continues to linger just around the 90 USD/bbl threshold, closing yesterday at 90,02 USD/bbl. Focus remains on the Middle East tensions, but since the events there have not been able to cause any fluctuations on the oil market the last couple of days, we also expect sideways trading today.
Gas	↘	The sharp uptrend on the European gas market continued Tuesday, and the most traded futures at the TTF gas hub are now at the highest price level of the year so far. Apart from the geopolitical tensions, which remain the main story across the markets right now, focus has also turned to an outage at the important Norwegian gas processing plant Nyhamna. The market falls early Wednesday, likely due to profit-taking, but volatility should remain high.
Coal	→	European coal prices also rose Tuesday, and with a closing price of 121,89 USD/t, the API 2 2025 contract is close to the year high prices from earlier this month. The current Middle East tensions are not so important for the coal market itself, but the market does respond to the overall bullish sentiment that has spread across the markets.
Carbon	↘	Yesterday, the European carbon market experienced another significant price jump, with the benchmark contract up another 3 EUR/t, closing the day at 73,62 EUR/t. Less than two months ago, the price level was close to 50 EUR/t but speculative activity and bullish signals from the fuel markets have cause the market to increase significantly lately.
Hydro	↗	Both temperatures, precipitation and wind output in the Nordic area should stay below average for the remainder of this week and likely well into next week as well. The deficit on the hydro balance could therefore start growing again in the coming time after it had almost been completely wiped out earlier this month. The outlook appears bullish for the Nordic power market.
Germany	↘	German power prices rose further in Tuesday's trading. The recent very sharp increases mean, that the country's 2025 contract is now at the highest price level of the year so far, closing yesterday at 97,49 EUR/MWh. The market opens modestly down early Wednesday in what appears as profit-taking among speculative investors.
Equities	↗	Following several days of falling stock markets, we see signs of stabilization now. The first signals today point towards a modestly bullish opening in both Asia and Europe. The most important topic today is inflation numbers from the EU, but focus will also remain on the Middle East and on the rising interest rates in several countries.
Conclusion	↘	Yesterday, the sharp price hikes on the Nordic power market continued. Apart from the very bullish signals from the related markets, which of course are essential, the significantly drier and colder weather forecasts for the coming weeks add to the sentiment. At the end of the day, the Q3-24 and 2025 contracts had climbed to 34,60 EUR/MWh and 44,28 EUR/MWh respectively. We see modest price falls early Wednesday, in line with the related markets, but a turnaround and further increases cannot be ruled out in the current circumstances.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
15-apr	66,89	68,28	38,38	52,63	34,81	42,41	39,42	May	70,00	69,00	33,50	48,25	34,50	43,00	37,00	Day-ahead	33,99
16-apr	55,31	58,60	51,72	58,60	52,92	43,83	46,79	Q3-24	78,85	77,35	30,00	39,60	43,85	42,60	34,60	Year 2025	37,11
17-apr	102,01	101,82	78,74	99,86	78,74	59,72	64,76	2025	91,53	87,03	39,18	50,28	49,58	53,03	44,28		





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