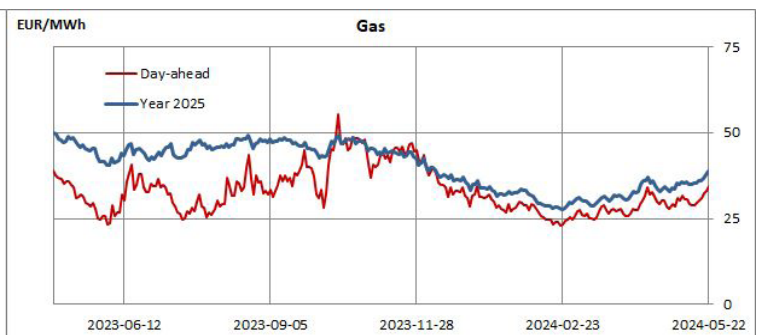
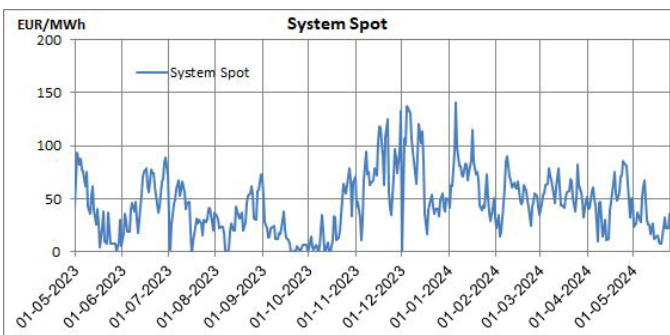


# Morning Report May 24 2024

## Expectation

- Oil** ➔ The downtrend on the international oil market continued Thursday. The market appears disappointed by the recent reports from the US Fed, that the bank appears to have no plan cutting interest rates anytime soon. It will likely take a noticeable decline in inflation for this policy to change and this could take a while, so the oil market responded bearishly to the news. Friday morning, the market opens sideways awaiting new signals from the global economy.
- Gas** ➔ Yesterday, the sharp uptrend on the European gas market continued. Apart from the ongoing supply concerns surrounding Norway, focus has also turned to Russia once again. The Austrian gas giant OMV has announced, that they due to legal issues will stop purchasing Russian gas, and this means that flows through the southern Russian gas pipeline to Europe, which passes through Ukraine, could end soon. The market retreats a bit early Friday but this could change rapidly due to the high uncertainty right now.
- Coal** ➔ On a day with further price climbs on the gas market, the European coal market edged up as well. The API 2 2025 contract rose around 2 USD/t to 122,00 USD/t. Not much has changed fundamentally, coal demand remains low, but the rising gas prices influence the coal market and this should continue also in the coming time.
- Carbon** ➔ For a second straight day, the European carbon market traded more or less sideways yesterday, despite the increases on the fuel and power markets. The market does continue to trade around year-high levels however and as long as the gas market remains bullish carbon should eventually follow suit as the correlation remains strong.
- Hydro** ➔ Ahead of the weekend, the Nordic weather forecasts suggest a change to wetter and windier conditions from early next week. Following a quite dry period, where the hydro balance deficit has grown rapidly, we are now likely up for a wetter period of time. Temperatures are also set to decline although they should remain above average next week as well.
- Germany** ↗ Another day with a rallying gas market affected the German power market bullishly as well yesterday. The country's 2025 contract climbed to 101 EUR/MWh, stabilizing above the 100 EUR/MWh marker for a second day in a row. Today, the market opens largely sideways but we could very well see prices start climbing later in the sessions since uncertainty surrounding gas supply remains high.
- Equities** ↘ Thursday, the sentiment was initially bullish on the stock markets due to a strong financial statement from tech giant Nvidia. Later in the day however, the optimism faded however and the S&P 500 index ended up closing with losses. Today, we expect the negative sentiment from the US to spread to Europe where a bearish close to the week appears likely.
- Conclusion** ↗ In contrast to the bullish development on the gas market and on the German power market, we saw some falling prices on the Nordic power market yesterday. The Q3-24 and 2025 contracts fell to 45,50 EUR/MWh and 49,30 EUR/MWh respectively as wetter weather forecasts for next week managed to overshadow the bullish signals from the related markets. Today, the market will remain volatile and we consider further increases likely.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
22-maj	47,02	25,51	10,08	10,08	10,08	29,18	21,79	June	71,76	72,73	26,83	50,13	28,13	45,13	36,63	Day-ahead	34,30
23-maj	90,03	90,03	3,73	37,20	3,73	32,92	21,93	Q3-24	79,65	76,90	32,15	44,05	47,15	49,65	42,15	Year 2025	38,85
24-maj	101,08	102,19	20,14	86,19	17,78	35,93	35,85	2025	89,88	83,25	41,70	54,98	51,50	57,75	48,50		



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