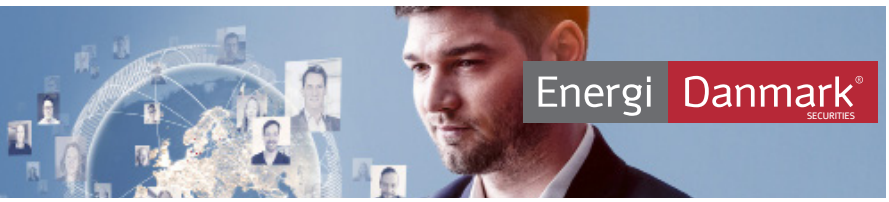
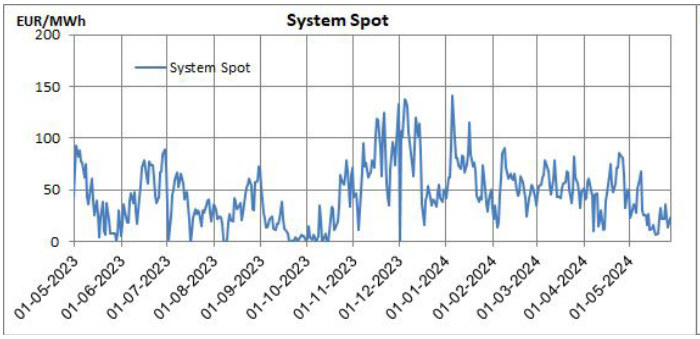
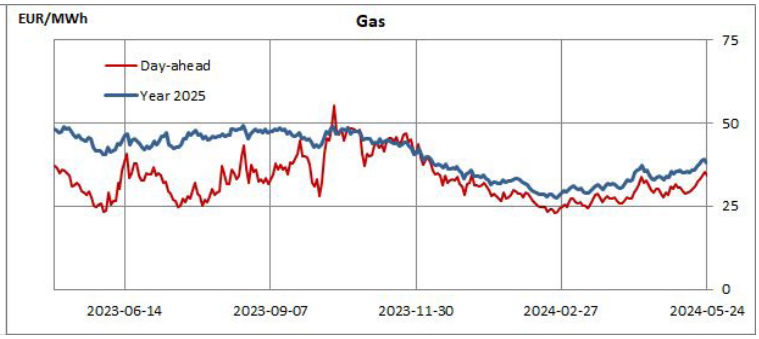
# Morning Report May 27 2024




| | Expectation | |
|---|---|---|
| Oil | ↗ | What had otherwise been a bearish week on the international oil market ended with rising prices Friday. The market managed to distance itself – at least temporarily – from the expectations that the US Fed will not cut interest rates in the nearest future. Instead, focus turned to the upcoming OPEC-Russia summit, which will take place this week and where the countries are expected to decide their output policy for the rest of the year. The market opens with modest increases early Monday. |
| Gas | ↗ | Following some massive price hikes over the previous weeks, we saw a rare bearish session on the European gas market Friday. On the TTF gas hub, the most traded futures contracts retreated from the year-high levels from the previous sessions as the market appeared to correct a bit despite the ongoing concerns about outages in Norway and potential supply cuts from Russia. |
| Coal | ↗ | On a day with rather sharp price falls on the gas market, the European coal market also edged down Friday. The API 2 2025 contract closed the day at 121,25 USD/t, still close to the year-high levels from last month. There are no signs that we are up for a major change in the demand outlook however as the correlation with gas will continue. |
| Carbon | ↗ | In contrast to the development on the fuel markets, we saw a neutral development on the European carbon market Friday. Last week in general saw rather sideways trading on the market where the benchmark contract closed the day at 75,61 EUR/t. Carbon rises modestly along with the gas market early in Monday's session but we do not expect any large price climbs this week. |
| Hydro | → | Over the weekend, the weather forecasts have confirmed that this week will be much wetter than what we have seen the previous weeks. The next 10 days should offer around 50 % more precipitation than normal for this time of the year. The hydro balance remains in a major deficit however, which limits the downside on the market. |
| Germany | ↗ | German power prices fell along with gas in Friday's trading. The country's 2025 contract dropped back below the 100 EUR/MWh marker, which it had climbed above earlier during the week, and closed the day at 99,50 EUR/MWh. The market opens sideways early Monday, awaiting further signals from the fuel and carbon markets. |
| Equities | ↗ | The ongoing concerns about interest rates had been dominating the stock markets for most of last week, but late Friday, some optimism returned to the US markets. The S&P 500 Index closed up 0,70 % and the Asian and European markets could follow today. The US markets are closed Monday due to public holiday, as the main event of the week will be European inflation figures on Friday. |
| Conclusion | ↗ | We continue to see big daily fluctuations on the Nordic power market which has to deal with both changing weather forecasts and high volatility on the related markets. The market edged down along with gas and German power Friday as the forecasts agreed that this week will be noticeably wetter than the previous quite dry weeks. Today, the market opens modestly up despite the wet forecasts as the gas market also appears to recover. |

| Spot | DK1 | DK2 | SE3 | SE4 | HEL | OSL | SYS | Forwards | DK1 | DK2 | SE3 | SE4 | HEL | OSL | SYS | Gas | TTF |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25-maj | 71,94 | 72,26 | 9,10 | 68,49 | 9,10 | 23,41 | 22,67 | June | 68,78 | 71,15 | 24,07 | 47,40 | 24,90 | 42,40 | 33,90 | Day-ahead | 34,34 |
| 26-maj | 59,20 | 59,20 | 2,62 | 56,61 | 2,62 | 15,77 | 13,24 | Q3-24 | 78,35 | 75,23 | 29,30 | 40,75 | 43,60 | 46,60 | 38,85 | Year 2025 | 38,15 |
| 27-maj | 94,71 | 105,89 | 4,43 | 59,64 | 2,47 | 31,62 | 23,55 | 2025 | 88,45 | 83,20 | 40,40 | 53,68 | 50,20 | 56,45 | 47,20 | | |



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