

# Morning Report May 30 2024

## Expectation

- Oil** ↓

Following three straight days of rising prices, the international oil market retreated a bit yesterday. There are not a lot of important news to report right now, as most focus on the market is directed at the upcoming OPEC-Russia summit, which will take place on Sunday. The market expects the countries to agree on prolonging the current output cuts, which despite some objections have been generally accepted over the last couple of years. We see falling prices again Thursday morning.
- Gas** →

There were no major fluctuations to report on the European gas market yesterday. Supply from Norway is expected be back to normal soon following the outages that have been going on for the last few weeks, but the uncertainty about the potential stop for gas deliveries to Austria limit the downside, as does the higher LNG competition Europe currently faces from Austria.
- Coal** →

On the coal market, we saw largely sideways trading as well yesterday. The market still faces low demand and low imports and there are no signs that coal will become a decisive market for electricity prices in the nearest future. We expect another neutral day Thursday where the gas market also opens with more or less sideways trading.
- Carbon** →

The carbon market experienced modest price falls yesterday, and appears to be in a correction phase following the quite large price climbs during the previous few weeks. The benchmark contract fell to 73,86 EUR/t. The market appears to recover early Thursday but we do not expect large price climbs since the correlation with gas should continue and gas appears to stabilize.
- Hydro** ↓

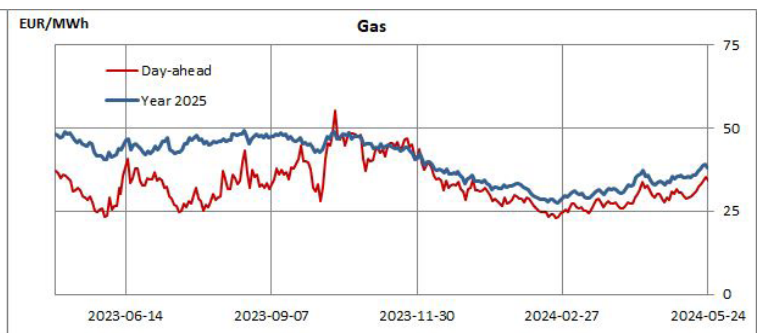
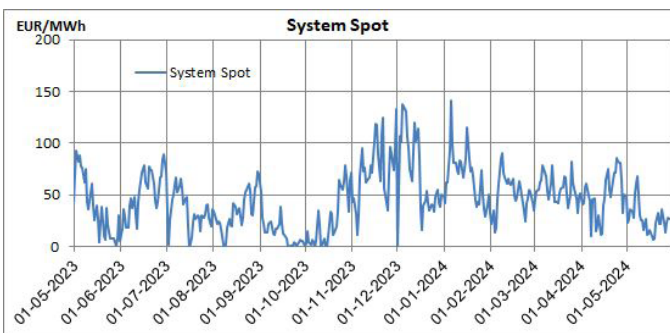
Since yesterday, the Nordic weather forecasts have turned a bit wetter, and we still expect rain amounts higher than seasonal average during the next ten days. The hydro balance remains in a quite large deficit however. The snow melting season will continue for the next few weeks, keeping spot prices low in most of the Nordic area.
- Germany** →

Yesterday, the German power market traded largely sideways along with the fuel and carbon markets, with the country's 2025 contract closing the day at 98,09 EUR/MWh. The market awaits the near futures on the gas market which has been volatile lately, and with carbon also close to year-high levels. We see a neutral opening again Thursday.
- Equities** ↓

Once again, the rising interest rates prevented both the European and the US stock markets from increasing yesterday. The European Stoxx600 Index fell 1,08 % and the sentiment remains negative early Thursday, as yesterday's German inflation figures were a bit disappointing and increases the concerns that the crisis is not over yet.
- Conclusion** ↓

Wednesday, we saw initial price falls on the Nordic power market, but a late rebound meant that most futures contracts – like the related markets – closed the day more or less neutral. The Q3-24 and 2025 contracts settled at 37,33 EUR/MWh and 47,25 EUR/MWh respectively. The forecasts were largely unchanged during the day but we could see falling prices Thursday where the outlook appears a bit wetter than what was forecasted yesterday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
28-maj	87,03	90,75	6,50	60,79	4,81	32,21	27,66	June	65,90	66,15	21,40	47,40	26,30	38,40	29,90	Day-ahead	34,38
29-maj	67,24	79,18	28,49	41,26	57,17	44,25	26,29	Q3-24	77,33	75,08	26,58	39,83	43,08	45,08	37,33	Year 2025	38,06
30-maj	91,49	97,45	25,30	72,32	92,69	49,07	37,46	2025	86,75	83,25	40,55	54,00	50,25	56,25	47,25		



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