

## Expectation

Oil



With yesterday's price drop, the international oil market currently sees the lowest price in almost half a year. The Brent front month contract fell to 77,23 USD/bbl, as the concerns about the global economy and the effects this could have on international oil demand. Saudi Arabia and Russia's pledge to uphold their production cuts next year as well offsets the bearish sentiment to some extent, but not enough to start any real upturn on the market as things stand.

Gas



A cold spell continues to dominate in Northern and Western Europe, with temperatures significantly below normal in Germany, Europe's largest gas consumer. Nonetheless, prices continued to fall yesterday as milder forecasts from the weekend and continuously strong supply weighed heavier. The TTF front month contract dropped below 40 EUR/MWh for the first time since the war in Ukraine broke out early last year. Today, we could see an at least short-lived rebound.

Coal



As gas prices continue to fall rapidly, the sentiment also remains bearish on the European coal market. There are no expectations that we will see any noticeable rebound anytime soon, unless we see a significant change in the fundamental situation on the market, where coal should become more favorable in the energy mix than it is right now.

Carbon



On another day with falling fuel and power prices, the European carbon market continued the downtrend as well. It dropped below 70 EUR/t for the first time in more than a year, closing at 68,64 EUR/t. We expect carbon to remain closely linked to other markets in the coming time, ahead of the upcoming options expiry next week.

Hydro



Early Wednesday, the milder, wetter and windier Nordic weather outlook is confirmed. Already during the next couple of days, the weather is turning warmer, and from mid-next week, there is a chance that we could see above-average temperatures. The milder outlook appears bearish for the Nordic power market Wednesday morning.

Germany



Yesterday, the German power market continued the long-lasting downtrend. This despite the very cold weather which has been dominated across the country for almost a week now. The bearish gas and carbon markets weigh heavier at the moment, and the country's 2024 contract continue to extend the year-lows, closing yesterday at 96 EUR/MWh. Early Wednesday however, we see a rare uptick as gas is also rising.

Equities



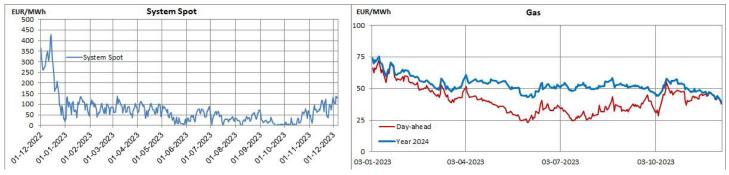
Even though we saw another decline in interest rates yesterday, the stock markets did not respond with optimism this time. Investors remained cautious, likely taking a pause following the rather sharp increases we have seen over the last couple of months. Wednesday opens bullishly in Asia however, and the sentiment could continue in Europe.

Conclusion



After rising rapidly over the last couple of weeks, we saw a downwards correction on the Nordic power market yesterday. Both the short and the long end of the futures market fell, as the bearish signals from the related markets and the milder signals from the weather forecasts overshadowed the high spot prices. The 01-24 and 2024 contracts fell to 85,00 EUR/MWh and 57,80 EUR/MWh respectively, and we could very well see the downtrend continue today, where the gradually milder outlook for the Nordic area is confirmed.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas Forwards	TTF
04-dec	111,76	152,00	152,00	152,00	155,63	140,76	137,61	January	92,00	96,25	87,00	89,75	93,50	100,75	88,50	Day-ahead	37,61
05-dec	114,39	159,71	159,71	159,71	173,79	159,71	135,13	Q1-24	93,00	88,00	80,33	87,11	95,50	98,25	85,00	Year 2024	38,74
06-dec	129,54	131,48	130,93	131,27	133,43	130,20	130,18	2024	93,30	88,03	50,87	62,82	65,90	75,80	57,80		





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