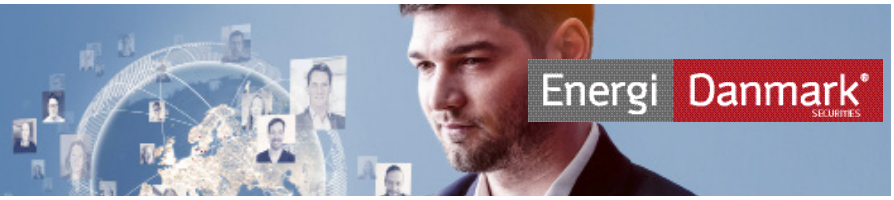
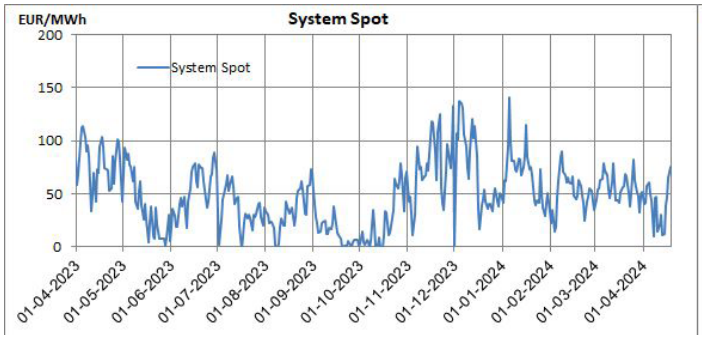
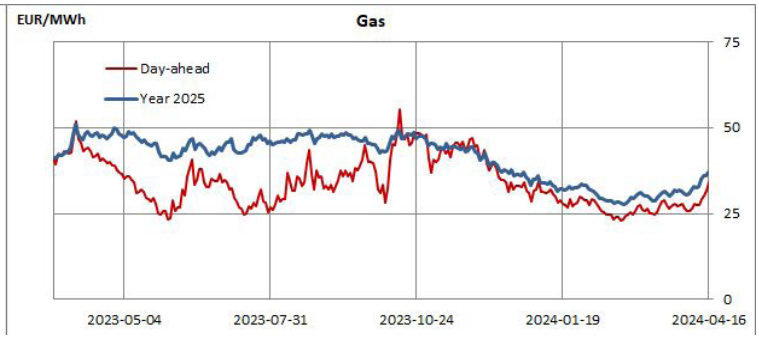
Morning Report April 18 2024

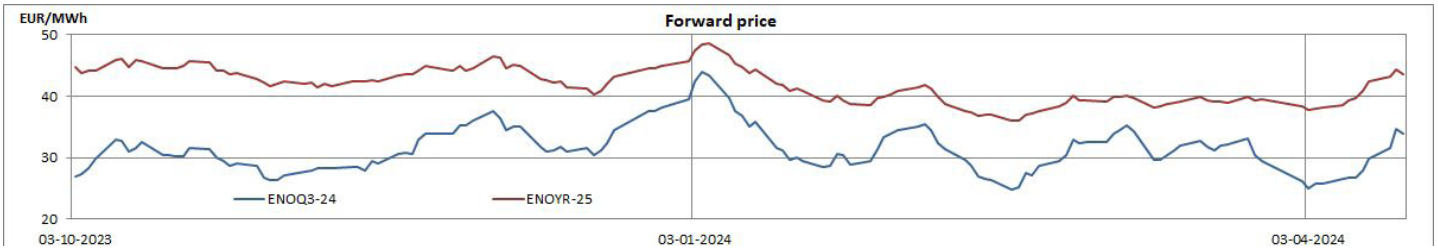


	Expectation	
Oil	→	Wednesday was all about falling prices across the international energy markets. On the oil market, the Brent front month contract fell almost 3 USD/bbl, settling the day at 87,29 USD/bbl despite the fact that the tensions in the Middle East are still high and the fears of a new Israeli attack on Iran have not eased. A potential Iranian closure of the Hormuz Strait would have a significant impact on the world's oil supply so the market will continue to follow the situation closely.
Gas	↘	Following several days of sharp price hikes, the European gas market edged down Wednesday. The losses were likely the result of profit-taking after the markets had increased significantly during the previous week. There are however no substantial changes to the fundamental situation as all eyes remain on the Middle East and a potential war between Israel and Iran, which could have a big impact on gas supply to Europe if it leads to a closure of the Hormuz Strait. The first signals Thursday are bearish as well but the sentiment can change rapidly at the moment.
Coal	↘	On the coal market, we also saw falling prices yesterday. The market tracks gas closely at the moment. The supply issues on the coal market itself and the signs of growing demand have been pushed into the background as the market now follows the gas market and we expect this correlation to continue during the coming days and weeks.
Carbon	↘	An overall bearish day across the markets also meant falling European carbon prices. The benchmark contract fell more than 3 EUR/t to 69,98 EUR/t. This is a big day-to-day loss but still nowhere close to how much the market has increased during the last couple of weeks. We also expect carbon to continue to track gas and the market opens
Hydro	↗	Expected precipitation in the Nordic area during the forthcoming ten days is only around 50 % of seasonal average, whereas temperatures and wind output is also expected well below normal for this time of the year. The hydro balance deficit is growing rapidly once again. The market continues to respond bullishly to the dry conditions
Germany	↘	On a day with rather sharp price falls on the all-important gas market, the German power market was also up for a downwards correction yesterday. The gas-dependent German market has rallied significantly lately as the situation in the Middle East has escalated, but yesterday, a combination of profit-taking and an overall need for a pause to the increases appeared to lead to a bearish session. We see bearish signs again Thursday morning but volatility remain high so the market can easily change direction.
Equities	↗	After a few days of losses, the European stock markets managed to stabilize yesterday, where the Stoxx600 Index closed with a modest increase of 0,1 %. The sentiment was even more positive earlier in the day, but the optimism faded later in the day, and the US markets were also bearish once again. The first signals from Asia early Thursday are quite bullish.
Conclusion	↘	Like all related markets, the Nordic power market edged down in Wednesday's session, but the downturn was much smaller on the Nordic market than it was for gas and German power. Very dry weather forecasts and a growing deficit on the hydro balance prevented a sharp downturn and the Q3-24 and 2025 contracts closed the day at 34,00 EUR/MWh and 43,65 EUR/MWh respectively. Today, we once again see bearish signals from gas and German power, and this could also end up causing a downturn on the Nordic power market.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
16-apr	55,31	58,60	51,72	58,60	52,92	43,83	46,79	May	61,25	63,13	33,50	46,75	35,50	43,00	37,00	Day-ahead	33,99
17-apr	102,01	101,82	78,74	99,86	78,74	59,72	64,76	Q3-24	75,50	71,63	28,55	39,00	41,50	42,00	34,00	Year 2025	37,11
18-apr	95,82	95,82	88,51	95,54	88,56	74,06	74,90	2025	88,03	82,65	38,40	49,65	48,55	52,40	43,65		







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