## Morning Report May 6 2024 Energi Danmark\*

## Expectation

Oil



Friday, we saw another day of falling prices on the international oil market, where the week in total ended up very bearish. The Brent front month contract closed the day at 82,96 USD/bbl, as the market continues to remove risk premium as the fears of further escalation in the Middle East are decreasing, at least for now. The market rises early Monday on the news that Saudi Arabia over the weekend has decide to increase oil price levels.

Gas



After two days of rising prices, the European gas market edged modestly down Friday. The market appears to have calmed down a bit recently, as supply in Europe remains healthy. We still see some geopolitical concerns surrounding the Middle East and Ukraine, but these topics are not quite as high on the agenda right now as they were a few weeks ago. We consider sidewas trading as the most likely scenario again today.

Coal



European coal prices fell along with gas Friday. Earlier in the week, the market had edged up along with gas and carbon but it does take bullish signals from other markets to drive prices higher as coal demand remains sluggish in Europe. The API 2 2025 contract fell to 112,00 USD/t and we expect the market to remain linked to gas today.

Carbon



After rising sharply earlier during the week, the European carbon market fell modestly in Friday's session. The move appeared to be the result of profit-taking. The recent increases have been linked to bullish technical signals and speculative traders closing short positions and the benchmark contract now costs 72,01 EUR/t. We see modest increases early Monday but much will still depend on gas.

Hydro



Over the weekend, we have received further quite dry weather forecasts for the Nordic area. During the next ten days, precipitation amounts are expected below average for almost the entire period. This, combined with prospects of quite low wind output during the same period, is a bullish signal for the Nordic power market Monday morning.

Germany



On a day where both gas and carbon changed direction and edged down, the German power market was also up for a downwards correction. The country's 2025 contract fell to 92,91 EUR/MWh, slightly down from Thursday. Monday morning, the market opens slightly down, but we do not expect any very big fluctuations today.

Equities



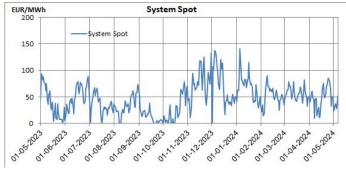
The main event of last week on the financial markets was Friday's US job report. The report came out a bit more disappointing than the markets had expected. This led to growing hopes of interest rate cuts and therefore rising stock markets in the US. The Asian and European markets should follow suit in Monday's session.

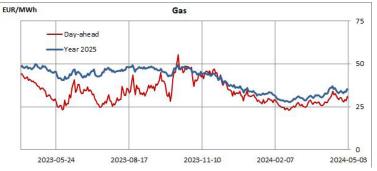
Conclusion

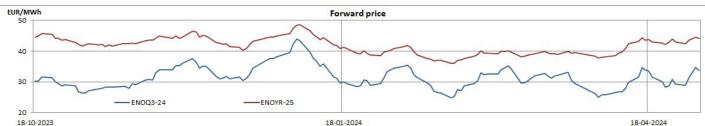


In a development similar to the ones on the related markets, the Nordic power market edged modestly down in Friday's session. The markets calmed down and speculative traders secured profit following the increases earlier during the week. The Q3-24 and 2025 contracts ended up closing the day at 33,70 EUR/MWh and 44,25 EUR/MWh respectively. Today, we initially see sideways trading as the eyes remain on what gas and carbon does.

S	pot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
04	-maj	75,15	75,15	26,40	56,62	26,21	28,39	33,69	June	67,00	69,08	24,25	45,50	29,45	38,00	30,00	Day-ahead	30,25
05	-maj	54,62	55,01	24,72	49,23	23,16	26,80	27,73	Q3-24	73,70	70,58	26,70	37,20	40,70	41,20	33,70	Year 2025	34,81
06	-maj	92,58	90,47	48,34	71,65	57,71	50,17	51,31	2025	87,75	82,25	38,35	51,05	49,00	53,25	44,25		







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