

# Morning Report May 8 2024

## Expectation

Oil



Tuesday was a rather neutral day on the oil market, where the Brent front month contract closed modestly down without making any major fluctuations during the session at any point. The market awaits whether or not a ceasefire in the Middle East could be on the way, although optimism has faded a bit after the latest proposal appears to have failed. The topic will continue to be important today where the market once again opens modestly down.

Gas



European gas prices fell modestly in Tuesday's session. The market responded bearishly to signs of improving supply from Norway, while the overall supply situation in Europe also remains healthy. The news from Australia about an outage at one of the country's large LNG facilities limited the downside however as it limits global LNG supply. The market continues to fall today, possibly because of more windy weather forecasts.

Coal



There are no major news to report from the European coal market. Demand remains low due to the quite low gas prices and the market continues to primarily track the movements on the related markets. The API 2 2025 contract ended up falling modestly yesterday, settling at 113,00 USD/t and we consider another bearish session likely today.

Carbon



Despite bullish technical signals, the European carbon market edged down in Tuesday's trading. The market continues down today, following in the footsteps of the gas market and also responding to more bearish signals from the weather forecasts. We could see the downtrend continue today, as gas and German power also retreats.

Hydro



Since yesterday, the most important change in the weather forecasts is that they look a bit more windy looking at next week. Both precipitation amounts and wind output is however still expected well below average during the next ten days as high pressure weather is expected to dominate. The forecasts have however been priced in by the Nordic power market the latest days.

Germany



German power prices fell in line with gas and carbon yesterday. The country's 2025 contract retreated to 93,53 EUR/MWh and the market appears to continue down today. The weather forecasts indicate more wind for the coming weeks and the market also reacts to the news that the EU might now sanction Russian LNG too hard after all.

Equities



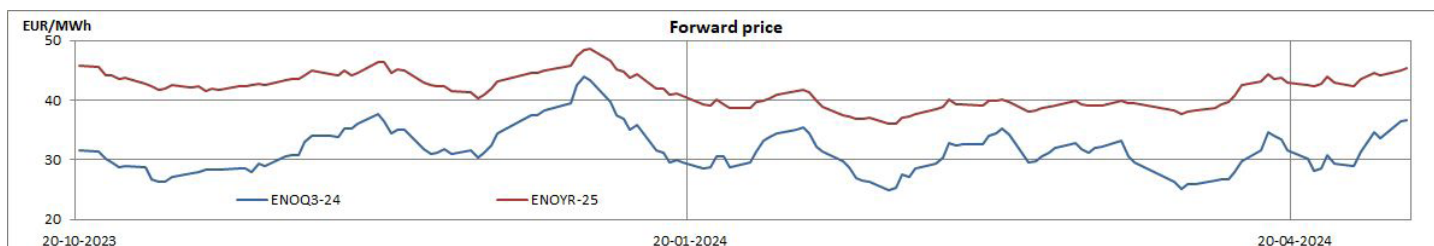
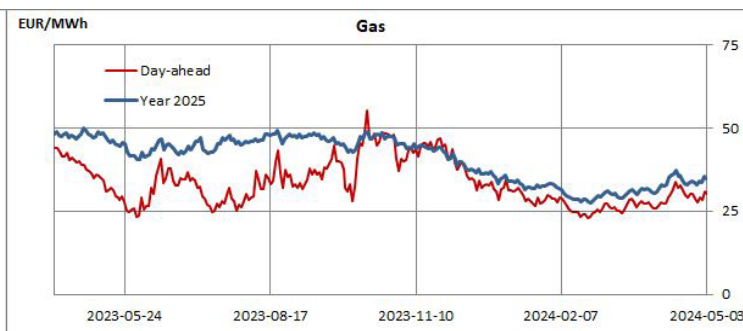
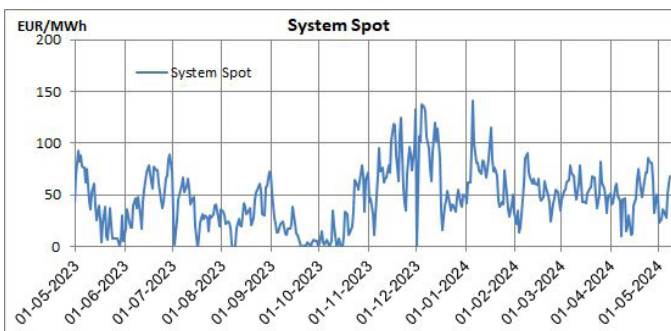
For a fourth straight day, the European stock markets climbed in Tuesday's session, where the Stoxx600 Index was up another 1,14 %. The market is still taking advantage of the optimism in the wake of the US job report Friday. Today however, the first signals are a bit more cautious, and we might see the first bearish session of the week.

Conclusion



Despite the falling prices on the related markets, the uptrend continued on the Nordic power market yesterday, with the most traded future contracts close to year-high levels. The losses on the gas market and in Germany managed to limit the upside, but the Q3-24 and 2025 contracts still rose to 36,60 EUR/MWh and 45,30 EUR/MWh respectively. Dry and calm forecasts are still decisive. Today, we could however see the first bearish session in a while, since windier forecasts and falling related markets should provide some downside.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
06-maj	92,58	90,47	48,34	71,65	57,71	50,17	51,31	June	68,80	67,88	27,93	50,83	33,20	41,30	33,80	Day-ahead	30,25
07-maj	88,86	87,60	68,17	71,31	67,13	67,31	61,30	Q3-24	73,60	73,35	29,21	39,62	43,35	44,10	36,60	Year 2025	34,81
08-maj	89,79	89,79	81,42	81,42	136,24	72,09	67,88	2025	86,55	79,55	39,65	52,46	50,00	54,30	45,30		



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.