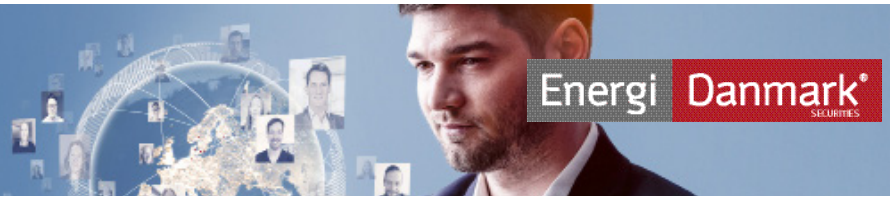
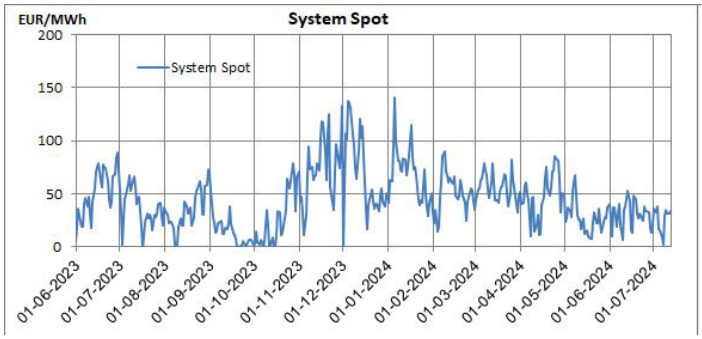
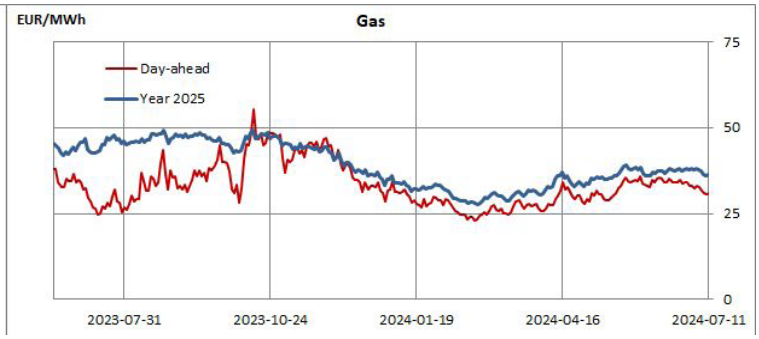
Morning Report July 12 2024



	Expectation	
Oil	↗	International oil prices rose for a second straight day yesterday on the back of US key figures, as the country's inflation appears to be cooling. This is something which indicates potentially growing demand and the market also still hopes that the US Fed will lower interest levels at some point this year. At the end of Thursday, the Brent front month contract had climbed to 85,40 USD/bbl, and the market continues the uptrend early in Friday's session.
Gas	↗	Thursday was a rare bullish day on the European gas market, where both day-ahead and curve contracts rose. The increases were merely considered a technical correction following the recent losses, The market continues to rise early Friday, possibly as a result of slightly warmer weather forecasts. Nothing has changed about the overall fundamental situation however, which remains bearish. Inventory levels are high and imports to Europe are stable right now.
Coal	→	Despite the modest recovery on the gas market, European coal prices continued to fall yesterday. The market remains completely subdued with low demand, low imports to Europe and no signs of any importance in the near future. The API 2 2025 contract closed the day at 109,25 USD/t, the lowest price level in around three months.
Carbon	→	Like the gas market, carbon managed to break the downtrend and instead edged modestly up yesterday. The benchmark contract closed the day at 68,37 EUR/t. The weather forecasts appear a bit warmer now, which may be the reason why the market rebounded slightly yesterday and continues up along with gas Friday morning.
Hydro	→	Ahead of the weekend, we still see overall wet Nordic weather forecasts for the coming weeks. Rain amounts are however only expected slightly above average, as periods of drier weather will also pass by from time to time. The outlook appears largely neutral for the Nordic power market Friday as it is only modestly wetter than average.
Germany	↗	After reaching the lowest price level in around three months earlier in the week, the German power market won back some of the losses yesterday. If the weather forecasts turn out to be right, temperatures could rise above average next week, and this could lead to higher consumption. We see further increases early Friday in line with gas and carbon.
Equities	→	The main event Thursday on the stock markets was the US key figures on inflation. Falling inflation lowered the hopes that the country's interest rates will be cut anytime soon, and this led to a downturn on the stock markets. The European markets trade sideways early Friday as focus now turns to European key figures next week.
Conclusion	↗	Following what had otherwise been a very bearish week, we saw a recovery on the Nordic power market yesterday. The weather forecasts are still quite wet, but a warmer outlook for the continent and bullish signs from the related markets managed to overshadow the bearish factors yesterday. The Q4-24 and 2025 contracts climbed to 44,95 EUR/MWh and 41,75 EUR/MWh respectively, but we do not expect any long-lasting uptrend unless the Nordic forecasts also change direction.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
10-jul	64,18	65,46	24,15	53,76	21,70	36,13	31,63	August	62,20	65,45	25,70	36,45	38,45	37,95	30,45	Day-ahead	30,83
11-jul	91,14	91,27	21,84	91,27	-1,46	36,69	31,50	Q4-23	76,83	74,45	39,75	50,95	51,45	55,35	44,95	Year 2025	36,40
12-jul	88,84	85,41	27,56	84,78	24,33	35,40	33,94	2025	77,63	75,25	36,85	48,15	48,10	51,50	41,75		





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