Expectation

Oil



Yesterday, the oil market continued upwards and during the first couple of sessions this week, the market has won back at least a part of the previous weeks' losses. We see two contradicting topics right now, as weak economic data from China and ensuing fears of falling demand growth is offset by the persistent concerns about possible escalations to the Middle East conflict. We expect the market to consolidate a bit during Wednesday.

Gas



The uptrend continued on the European gas market Tuesday. Eyes are now on an unplanned outage to the Norwegian production, as the important Sleipner field faces a period of reduced production due to a recent fire. It is yet unclear for how long output will be limited, but the market opens with rising prices again Wednesday, despite the fact that the mild weather in Europe limits the upside.

Coal



On the coal market, we saw more or less sideways trading yesterday. The API 2 2025 contract closed the day at 122,62 USD/t, down just a few cents from Monday's close. Everything suggests that the market will stay closely couple to gas in the nearest future.

Carbon



Fundamentals are currently overall bearish on the gas market, with both low demand and technical signals limiting the upside on the market. Nonetheless, prices ended up rising as the bullish support from the gas market weighed heavier, something which underlines how important gas is for the related markets right now. The benchmark contract climbed to 62,25 EUR/t but retreats again Wednesday morning.

Hydro



Since yesterday, the forecasts who have been published confirm the quite mild weather outlook for the next couple of weeks. Apart from a short dry, calm period the next few days, both precipitation amounts and wind output is also expected overall above average. The outlook is in total largely unchanged from yesterday and therefore appears neutral for the Nordic power market.

Germany



German power prices rose along with gas yesterday, as the news about reduced exports from Norway also ended up affecting power prices. The German 2025 contract rose to 87,24 EUR/MWh, although mild weather limited the upside somewhat. The first signals today indicate that the uptrend could continue, but any news about for how long gas supply from Norway will be limited could decide the direction.

Equities



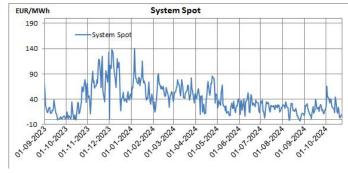
On the financial markets, the sentiment remained overall bearish yesterday, first and foremost because interest rates are again rising. The Stoxx600 Index fell another 0,21 % whereas the US S8P 500 Index was down a marginal 0,05 %. The markets are also focusing on the US Presidential election, where the polls are leaning more and more in the direction of a victory for Donald Trump.

Conclusion



After some very mild price falls during the previous session, the Nordic power market managed to stabilize yesterday. This despite the very mild, wet and windy signals from the weather forecasts, but the bullish signals from gas and German power managed to offset this, and at the end of the day, the market closed largely neutral. The O1-25 and 2025 system futures closed at 55,25 EUR/MWh and 38,70 EUR/MWh respectively and we expect another day with sideways or modestly upwards trading.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
21-okt	56,26	56,26	-0,99	-0,99	-0,99	24,66	2,56	November	75,55	73,80	39,30	48,05	44,20	50,80	40,80	Day-ahead	40,93
22-okt	90,66	99,21	3,17	3,17	2,82	33,20	8,49	Q1-25	79,01	73,88	53,33	61,63	75,63	66,13	55,13	Year 2025	39,91
23-okt	106,74	106,79	0,51	0,51	0,51	30,21	8,31	2025	76,96	74,58	34,78	47,08	48,78	47,08	38,58		







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