

# Morning Report October 25 2024

## Expectation

Oil



Oil prices fell for a second straight day Thursday, where the Brent front month contract closed the day at 74,38 USD/bbl, around 0,50 USD/bbl down for the day. The market edged up early in the session, but the sentiment changed during the day as the focus on the weak global demand forecasts and the slow economic growth in China once again became the main points of interest. The market once again opens Friday bullishly, but we do not expect any major increases.

Gas



We have so far been through a fiercely bullish week on the European gas market, where the most traded futures on the TTF hub have jumped by around 7 % since Monday. Right now, storage levels are high and temperatures above average on large parts of the continent, but uncertainties are plentiful, as outages in Norway, LNG supply concerns and cooler weather forecasts all offer bullish support. We could very well see a fifth straight day of rising prices Friday.

Coal



The sentiment was also bullish on the coal market. As gas prices have won significant ground during this week, the closely correlated coal market has followed the uptrend. With temperatures set to fall, we could see an increase in coal burn over the coming weeks but there is no reason to think that the close link to gas will disappear anytime soon.

Carbon



Yesterday, the carbon market edged up once again, with the benchmark contract closing at 66,63 EUR/t. The market is currently at its highest level in around two months as bullish gas and technical signals have caused a turnaround on a market which had fallen significantly earlier during autumn. With gas set to continue upwards Friday, we also expect the gas market to rise further.

Hydro



Ahead of the weekend, the Nordic weather forecasts suggest both temperatures and precipitation amounts above average for the next week. From next week's weekend however, a change to cooler and drier conditions looks likely however. This is much in line with what was forecasted yesterday, as the hydro balance surplus is meanwhile expected around 10 TWh in two weeks' time.

Germany



German power prices rose along with gas and carbon Thursday. Temperatures in Germany are currently well above average, as they have been for some time now, but signs of cooler conditions next week and uncertainties about gas deliveries to Europe are bullish drivers. The country's 2025 contract rose to 90,81 EUR/MWh and opens with further increases Friday morning.

Equities



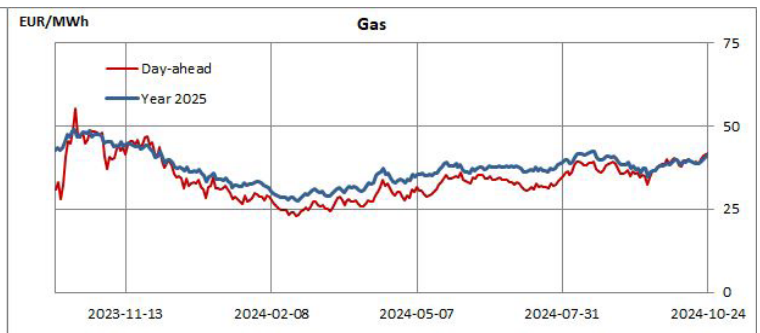
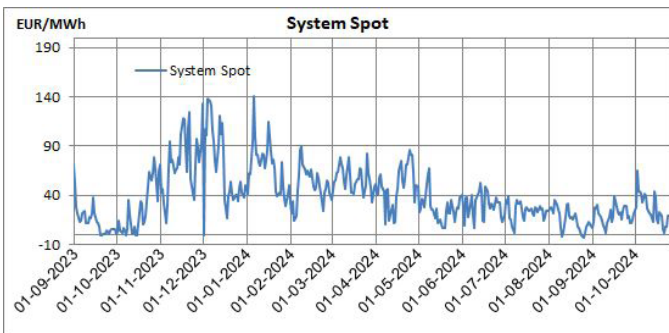
Thursday became the first bullish day on the European stock markets this week, as the leading indexes in both Europe and the US edged modestly up yesterday. Tesla appeared to be the main driver of the day as they posted strong earnings. The first signals Friday are modestly bearish however, as focus today will be on key figures on consumer confidence in the Eurozone.

Conclusion



Drier and cooler weather forecasts looking at early November, combined with another bullish day on the gas market and the German power market, led to a bullish session on the Nordic power market Thursday. The 01-25 and 2025 system futures rose to 57,25 EUR/MWh and 40,00 EUR/MWh respectively, but a strong hydro balance limits the upside right now. As the related markets continue to rise Friday, we expect another bullish day on the Nordic market as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
23-okt	106,74	106,79	0,51	0,51	0,51	30,21	8,31	November	82,10	81,10	42,40	51,80	48,60	55,10	44,10	Day-ahead	41,95
24-okt	99,22	99,53	24,89	35,85	62,67	27,02	19,56	01-25	82,10	80,75	56,00	62,90	77,75	69,00	57,25	Year 2025	41,15
25-okt	112,72	112,72	19,71	19,71	15,59	21,31	19,33	2025	80,75	79,00	36,25	47,77	50,60	48,50	40,00		



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