

# Morning Report November 18 2024

## Expectation

Oil



Ahead of the weekend, the bearish sentiment returned to the oil market, with the Brent front month contract falling around 1,50 USD/bbl, closing at 71,04 USD/bbl. This is the lowest oil price in around two months, as expectations of growing supply, fears of low demand and a strengthening US dollar are all bearish signals for the market right now. A strong US dollar makes the dollar-bound oil more expensive for non-US consumers at the moment.

Gas



Another very bullish week on the European gas market ended with further price climbs Friday. The big news of the day was the announcement from Russian gas giant Gazprom that they will halt gas deliveries to Austria immediately. Even though the deliveries were still expected to end at New Year, this is still another point of concern for the market, with the cold weather and low renewable production right now adding to the bullish sentiment. The market appears to retreat Monday morning however.

Coal



On the coal market, prices also continued to rise Friday. The recent price jump on the gas market makes coal more attractive in the energy mix, and the signs of potentially growing demand helped the API 2025 contract rise to 127,27 USD/t. The correlation with gas will however most likely continue and prices are falling again early Monday.

Carbon



European carbon prices initially rose early in the session, but the market changed direction and started falling later Friday. At the end of the day, the benchmark contract had fallen to 68,01 EUR/t, still marking the first time in around two months that the market closes this high. Some technical resistance will keep the market from edging higher right now, and the market follows fuels down today.

Hydro



Over the weekend, we have received somewhat warmer weather forecasts for the Nordic area. This week looks rather cold, but from the end of the week, it now looks likely that temperatures will rise above seasonal average once again. This is of course bearish news for the Nordic power market which falls on the news early Monday.

Germany



Rising gas prices were once again the instrumental factor behind the uptrend on the German power market Friday. The country's 2025 contract rose to 96,51 EUR/MWh amid cold weather and disruptions to the European gas supply. The market is largely sideways early Monday but if gas continues to fall, German power will likely follow suit.

Equities



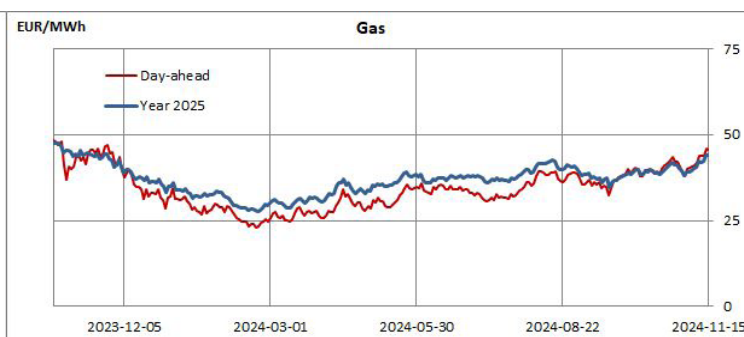
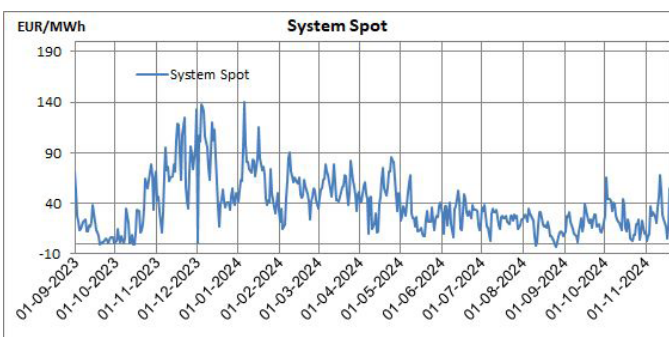
Friday, the sentiment was once again bearish on the international stock markets. The European Stoxx600 Index fell 0,77 % and the losses were even bigger in the US later in the day. The Asian indexes are rather calm early Monday, as we in contrast to last week now enter a week with no major key figures to set the tone across the markets.

Conclusion



The Nordic power market climbed in Friday's trading, responding to colder weather forecasts, bullish signals from gas and German power. At the end of the day, the Q1-25 and 2025 system futures had increased to 56,98 EUR/MWh and 38,60 EUR/MWh respectively. We do not expect the same kind of increases today, as warmer forecasts compared to Friday and falling prices on the related markets could lead to a bearish or at least neutral development.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
16-nov	23,75	22,57	1,46	2,14	-0,03	37,64	5,06	December	95,50	93,58	65,50	70,25	66,50	68,00	56,00	Day-ahead	45,71
17-nov	27,82	28,81	15,91	16,51	21,63	35,91	14,33	Q1-25	93,36	85,48	61,23	67,13	77,48	68,98	56,98	Year 2025	43,98
18-nov	91,12	86,53	79,75	84,30	71,15	74,48	55,47	2025	87,60	85,35	35,90	47,10	49,25	47,60	38,60		



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