

## Expectation

Oil



As expected, the US Fed's decision to cut interest rates was unable to cause any fluctuations on the oil market. The decision had largely been priced in and the market appears more interested in the economic situation in China, which has been the main topic the last days following the government decision to add further stimulus to the country's economy. The Brent front month contract closed Wednesday at 73,39 USD/bbl before retreating early Thursday.

Gas



Following a single day of technical recovery Wednesday, the downtrend resumed on the European gas market yesterday. The weather forecasts for the coming weeks is mild across Northern and Central Europe, and the ensuing low demand caused prices to retreat further. We are entering the last few weeks of Russian gas supply to Europe and several countries are in a hurry to find out how to get their gas from January 1 as the European Commission yesterday rejected a call to consider a new deal with Russia. This causes some uncertainty and prices are rising early Thursday.

Coal



European coal prices also started falling again yesterday after the gas market had changed direction and resumed the downtrend. The API 2 2025 contract fell to 108,50 USD/t and we see an initial uptrend on the market today in response to the bullish opening on the gas market.

Carbon



On the carbon market, prices rose despite the opposite movements on the gas market. The reason behind this was likely the prospect of falling auction supply during the next couple of weeks, where the market will go into holiday mode. The benchmark contract closed at 64,86 EUR/t and continues upwards early Thursday along with the related markets.

Hydro



This morning, there are no noticeable changes to the Nordic weather outlook. Temperatures are expected to remain above average the entire period until New Year, and precipitation amounts and wind output should also remain above normal. The hydro balance surplus continues to grow and the outlook is still bearish for the Nordic power market.

Germany



It was no surprise to see the German power market starting to fall again yesterday as the related markets had also changed direction. The country's 2025 contract fell to 87,09 EUR/MWh, as the high spot prices of last week were not able to make any real impact on the futures curve. The market rebounds along with gas Thursday.

Equities



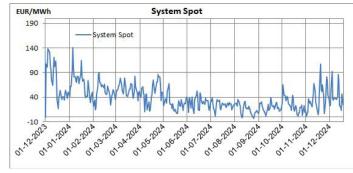
The most interesting thing from the US Fed was not the decision to cut interest rates by another 0,25 %. This was more or less anticipated by the markets, who instead focused on the comments from the Fed that it could last a while until the rates are cut further and that the bank remains concerned about US inflation. As a result, the S8P 500 index fell rather sharply and the European markets are also down early Thursday.

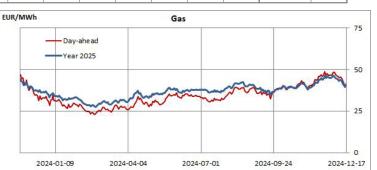
Conclusion



After nothing less than 9 straight days of losses on the Nordic futures curve earlier in the month, the most traded system futures have now been rising the last few sessions. The forecasts looked marginally drier than they did the day before. The Q1-25 and 2025 contracts closed at 47,68 EUR/MWh and 32,00 EUR/MWh and opens sideways today as the mild and wet forecasts are offset by rising prices on the related markets.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
17-dec	63,46	64,74	64,01	54,78	100,75	43,06	46,58	January	82,23	88,68	68,35	70,81	77,00	67,25	49,25	Day-ahead	40,68
18-dec	25,91	38,66	33,57	30,16	134,74	28,14	24,12	Q1-25	78,56	80,68	59,48	63,05	76,43	64,68	47,68	Year 2025	40,53
19-dec	25,23	33,64	20,03	20,15	20,09	24,47	20,08	2025	77,75	78,90	35,00	45,90	47,00	44,25	32,00		







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