

Morning Report December 4 2024

Expectation

- Oil** →

Tuesday, we saw a noticeable upturn on the oil market, where the Brent front month contract rose almost 2 USD/bbl before closing the day at 73,62 USD/bbl. The bullish sentiment was attributed to stronger-than-expected key figures from China and to rumors ahead of Friday's OPEC+ summit, that the organisation will not follow through on their output hikes after all. The OPEC summit will continue to attract attention the next days as the market opens largely sideways Wednesday.
- Gas** ↘

The uptrend on the European gas market was broken Tuesday where prices instead fell modestly. The market continues down early Wednesday, but the move is so far generally only considered a correction as the bullish sentiment remains intact. Cold weather forecasts will keep demand high in Western and Central Europe during the coming weeks and the concerns about the overall supply situation also still dominate.
- Coal** ↘

European coal prices continued to fall in Tuesday's trading and the API 2 2025 contract has now fallen for nothing less than eight straight sessions. Demand remains weak despite the fact that gas prices have recently surged to year-high levels and meanwhile, supply is improving due to growing imports from other continents.
- Carbon** ↘

Despite the price falls on the gas and coal markets yesterday, the European carbon market edged modestly up. Auction supply is decreasing in December and the cold forecasts for the coming weeks also offer bullish support. At the end of the day, the market should however stay largely correlated with gas and we do indeed see falling prices early Wednesday.
- Hydro** ↘

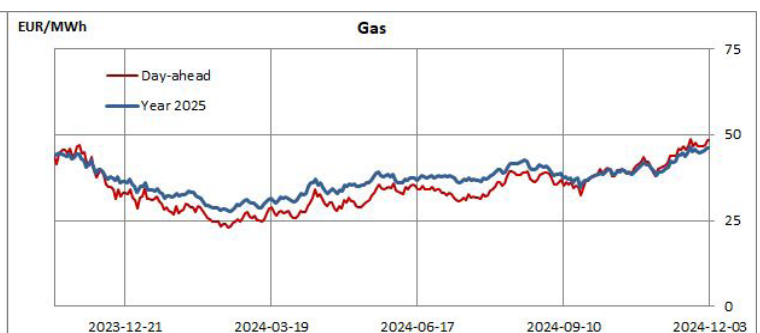
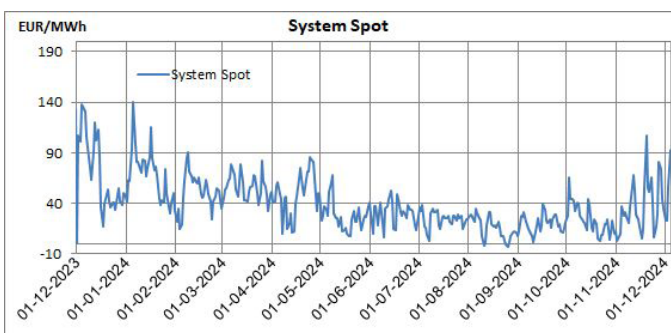
Early Wednesday, the Nordic weather outlook looks a bit milder than what was forecasted yesterday. During the next two weeks, temperatures are in general expected to linger just around seasonal normal, whereas wind output and precipitation levels will mostly be a bit lower than average. The milder outlook appears neutral for the Nordic power market.
- Germany** ↘

On a day with falling gas prices in Europe, the German power market also changed direction, with the country's 2025 contract falling to 98,13 EUR/MWh. Cold weather forecasts for the coming weeks limited the downside but the market continues to fall today along with the related markets as the long-term weather outlook appears somewhat milder.
- Equities** ↘

We are currently in the middle of a quite bullish run on the European stock markets where the Stoxx600 Index yesterday rose another 0,37 %. The tech and energy sectors were the leading engines in the uptrend. The US markets were not quite as positive later in the day, possibly because of the political unrest that unfolded in South Korea. The events could also cause a negative development in both Asia and Europe today.
- Conclusion** ↘

Fluctuations were rather modest on the Nordic power market yesterday, but unlike in Germany and on the gas market, the most traded Nordic system futures ended up rising modestly. The Q1-25 and 2025 futures closed the day at 56,05 EUR/MWh and 38,00 EUR/MWh respectively, both up marginally for the day. The market edges down Wednesday however, as related markets continue to fall and the forecasts look somewhat milder than they did yesterday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
02-dec	77,38	91,29	22,41	33,02	11,53	37,83	23,19	January	99,45	102,20	70,43	73,01	75,70	69,70	57,45	Day-ahead	48,38
03-dec	132,35	139,10	92,37	89,54	99,83	70,07	55,53	Q1-25	95,05	88,80	64,90	70,71	78,05	69,95	56,05	Year 2025	45,98
04-dec	177,82	170,62	143,01	151,52	128,81	101,04	92,55	2025	87,25	85,50	37,61	48,63	49,80	47,38	38,00		



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