

## Expectation

Oil



After an initial early uptrend, the international oil market changed direction and ended up falling from the year-high close of the previous day. Early Thursday, the market appears to rebound however. The market remains focused on the state of the global economy, with improving signals from China and a strengthening US dollar compared to other currencies, while lower OPEC production amid cuts and floodings in Libya add to the upside.

Gas



Early Wednesday, the European gas market continued the downtrend, but prices started rising later in the day. The strike at the Australian LNG plants has started and the workers' union and the management do not appear to be close to reaching a deal. Meanwhile, outages to the Norwegian production cause immediate lower supply to Europe as well.

Coal



European coal prices rose along with gas yesterday, with the API 2 2024 contract reaching 131,65 USD/t, almost 7 USD/t higher than the previous close. Apart from the bullish signals from the gas market, coal faces some supply issues itself, with reduced exports from Colombia while China is meanwhile picking up demand amid the country's recovering economy.

Carbon



Wednesday, the European carbon market managed to make a noteworthy recovery following several straight days of losses. Rising coal and gas prices are bullish for the carbon market as well, but much still depends on speculative actors on the market. The benchmark contract closed at 83,01 EUR/t and continues up early Thursday.

Hydro



Expected precipitation in the Nordic area during the forthcoming ten days is around 50-70 % above seasonal normal. Temperatures are meanwhile expected to remain slightly above average, which means demand will remain relatively low and the surplus on the Nordic hydro balance continues to grow. The outlook remains bearish for the Nordic power market.

Germany



Like the gas and coal markets, German power opened yesterday bearishly but changed direction and the country's 2024 contract ended up closing the day at 129,90 EUR/MWh, 2,88 EUR/MWh above the previous close. The market remains closely connected to gas so the fluctuations in the coming time will depend highly on how fast it turns cold in the country and of course the European gas imports from other countries. Early Thursday, the market opens sideways along with gas.

Equities



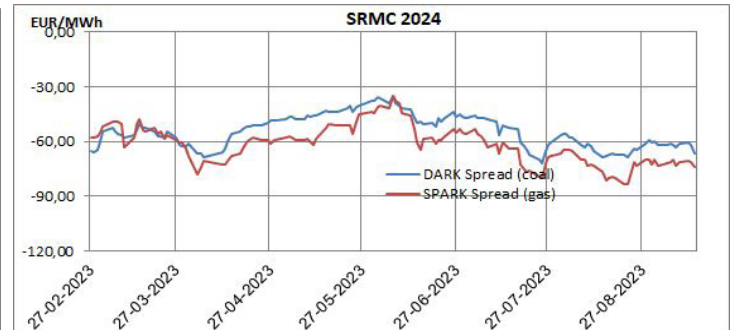
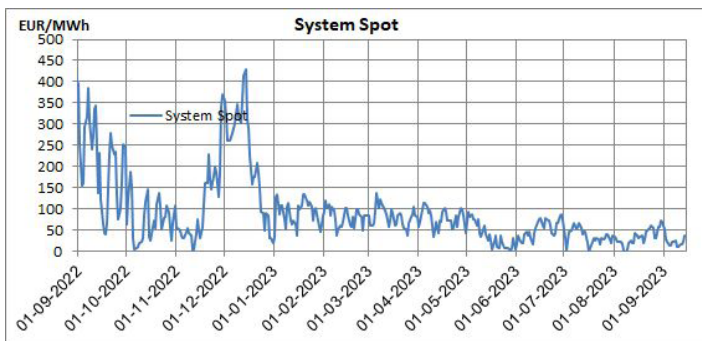
Despite some US key figures on inflation, which came out perhaps a bit more disappointing than the markets had expected, the stock markets managed to avoid losses. The S&P 500 Index closed the day with a minor uptick of 0,12 %. Today, the ECB is set to publish inflation figures and this will likely be the decisive factor of the day.

Conclusion



In contrast to the related markets, the Nordic power market continued downwards yesterday as the forecasts still look quite wet. The Q4-23 and 2024 contracts fell to 43,10 EUR/MWh and 50,50 EUR/MWh respectively, meaning that the price gap between German and the Nordic area is widening, causing higher EPAD's in the southern parts of the Nordic area. Today, we once again consider falling prices as the most likely scenario as the wet weather outlook remains the main price driver.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
12-sep	131,45	131,45	10,14	104,64	10,09	2,68	17,16	October	78,00	81,75	24,25	33,10	32,75	34,00	27,00
13-sep	104,73	109,94	64,20	102,34	92,53	3,06	21,92	Q4-23	93,10	87,10	37,85	50,35	42,10	58,10	43,10
14-sep	120,47	120,47	85,60	101,85	86,46	2,70	38,33	2024	114,25	110,00	46,50	70,74	49,50	70,00	50,50



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.