

# Morning Report January 24 2024

Energi Danmark<sup>®</sup>  
SECURITIES

## Expectation

Oil



Daily fluctuations are still rather small on the international oil market, which has been trading rangebound largely within a 75-80 USD/bbl window during the last couple of months. The escalating conflict in the Middle East, where a US-led coalition is now attacking rebels in Yemen, is not enough to cause any real uptrend on the market. The concerns about the conflict are still relatively modest despite the current events, and bearish macroeconomic signals also limit any upside. The market continues sideways Wednesday morning.

Gas



Early Tuesday, the European gas market appeared to recover, but as seen often recently, the momentum did not last long and prices started falling again later in the day. The market also sees a bullish opening today, but since the bearish fundamentals are quite strong at the moment, it is once again a possibility that the sentiment changes as the day goes along.

Coal



Coal faced the more or less same development yesterday as the gas market, with rising prices early in the session followed by a retreat later in the day. The correlation with gas is expected to continue in the coming time, and a neutral or modestly bullish session seems likely in Wednesday's trading.

Carbon



After dropping to the lowest level in almost two years during the previous session, the European carbon market recovered modestly yesterday. The market climbs further early Wednesday. This should however not be interpreted as anything more than an isolated correction, as the sentiment remains overall bearish amid the low gas prices and the quite mild weather forecasts.

Hydro



Temperatures in the Nordic area are expected well above average during the coming week, but from early February, we might see a return to quite cold conditions. Precipitation and wind output is also expected above average, but since the outlook is largely unchanged from yesterday, it should be neutral for the Nordic power market.

Germany



Like the fuel markets, the German power market experienced an initial increase Tuesday, but the sentiment remains bearish and the gains disappeared as the day went on. At the end of the session, the country's 2025 contract closed at 79,76 EUR/MWh, only marginally above the previous close. The market opens with rising prices today, but as with yesterday, it is not given that it lasts.

Equities



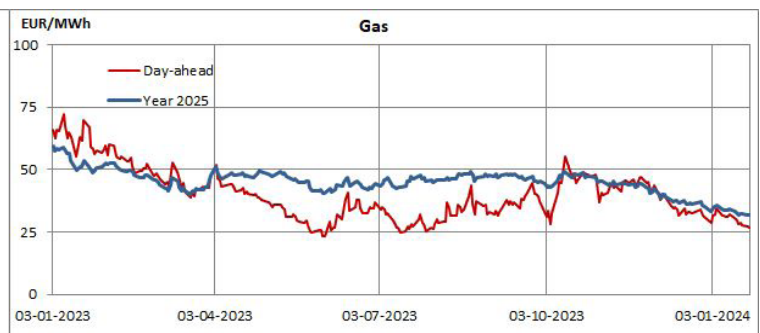
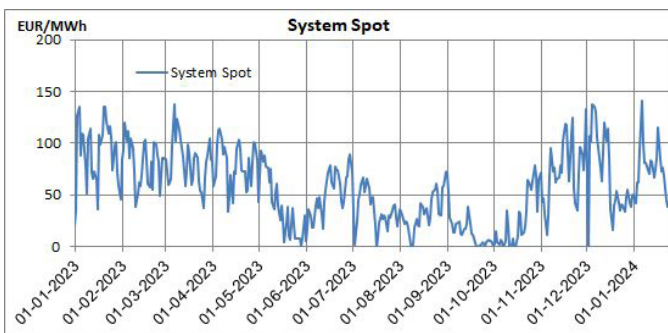
There were no noteworthy fluctuations to report on the stock markets yesterday. The European Stoxx600 Index fell 0,28 % followed by a marginal increase in the US later in the day. The Asian markets appear to respond bullishly to yesterday's close in the US and we expect the European markets to follow this when they open.

Conclusion



On the Nordic power market, prices continued to fall yesterday although the losses were a bit more limited than what we have seen previously over the last couple of weeks. The forecasts remain overall mild, but look somewhat cooler at the beginning of February. The market will likely need to see a confirmation of this before trading up. We could see another neutral day or possibly a modest increase in today's session, as the related markets stabilize and the forecasts are largely unchanged.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
22-Jan	47,99	45,24	26,78	26,78	26,78	53,87	38,78	February	65,85	68,55	55,85	60,70	73,10	70,85	58,35	Day-ahead	26,59
23-Jan	48,02	42,76	33,65	33,65	33,65	50,92	43,41	Q2-24	57,50	54,50	28,26	39,28	38,50	46,00	34,00	Year 2025	31,99
24-Jan	33,42	39,09	39,09	39,09	74,77	43,70	41,29	2025	73,43	72,18	34,06	45,93	42,93	51,68	39,18		



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