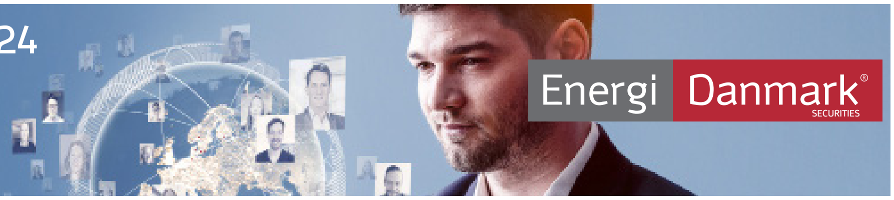
Morning Report October 1 2024



	Expectation	
Oil	↘	This week opened with largely sideways trading on the oil market. This despite the new escalations to the Middle East conflict, but the oil market appears confident that oil exports from the Persian Gulf will not be affected this time either. Following a late decline, the Brent front month contract closed the day at 71,77 USD/bbl, modestly down from Friday. Today, we see another calm opening, but the market of course remains awake about potential further developments in the Middle East.
Gas	↘	Monday, this week started like last week ended on the gas market, with rising prices in response to the development in the Middle East. The Israeli assassination of the Hamas top leader during the weekend was bullishly received, but it is worth noticing that fluctuations are nowhere near as big as have been earlier the last year when we have seen escalations in the region. The market retreats early Monday in an apparent correction.
Coal	↘	European coal prices continued to rise yesterday in line with the bullish sentiment on the gas market. The API 2 2025 contract was up another 2 USD/t, closing at 124,37 USD/t. The fundamental situation on the market is largely unchanged, as fluctuations on the gas market will remain decisive in the coming time.
Carbon	↘	Despite the increases on the gas market, the European carbon market fell for a second straight day yesterday. The market always makes some adjustments towards the end of the month, and this was also the case yesterday, amid the end of compliance buying. Eyes will also be on the gas market the next days as we could see fluctuations based on related markets.
Hydro	→	Expected precipitation in the Nordic area during the next ten days is just around seasonal average. The next few days look quite dry and calm, but low-pressure weather with higher rain amounts and more wind output is expected from the end of the week. The outlook appears somewhat neutral for the Nordic power market today.
Germany	↘	The German power market received mixed signals yesterday. Gas and coal edged up, whereas the carbon market was modestly down. At the end of the day, the German 2025 contract had fallen to 87,22 EUR/MWh, and the market continues down early Tuesday despite the news this morning about an Israeli invasion of Southern Lebanon.
Equities	→	Monday, the stock markets appeared to react negatively to the geopolitical events of the weekend, but at the end of the day, the losses were not very big. Fed Chief Powell indicated that the bank will potentially wait a bit before announcing new interest rate cuts. The Asian markets recover early Tuesday whereas the European markets look more neutral.
Conclusion	↘	Over the weekend, the Nordic weather forecasts had turned drier and cooler, and this led to an upturn on the Nordic power market yesterday. As with other markets, the market was also affected by the fact that it was the last trading day of the month and the quarter, which led to some fluctuations. The Q1-25 and 2025 contracts closed the day at 59,00 EUR/MWh and 40,50 EUR/MWh respectively. We expect falling prices today in line with other markets.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
29-sep	57,09	49,85	6,29	6,29	5,29	30,09	15,82	November	73,65	70,90	41,50	53,05	53,40	55,40	45,40	Day-ahead	38,65
30-sep	26,89	24,52	21,88	21,88	75,53	26,72	21,85	Q1-25	79,75	77,50	55,50	64,00	80,75	69,00	59,00	Year 2025	38,30
01-okt	32,15	30,67	29,23	29,23	59,21	32,73	27,90	2025	78,46	77,13	36,25	49,25	53,00	49,50	40,50