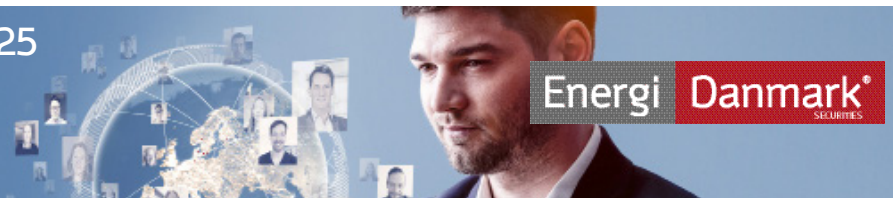
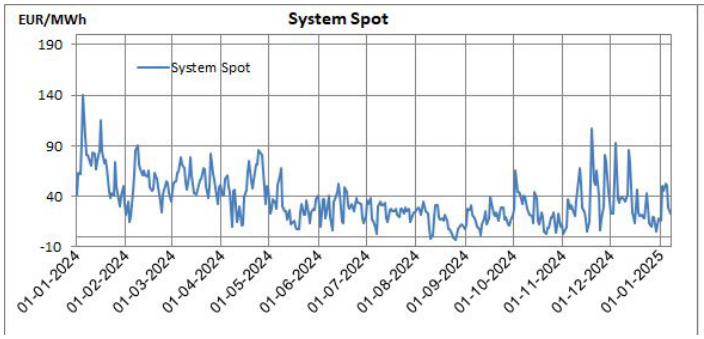
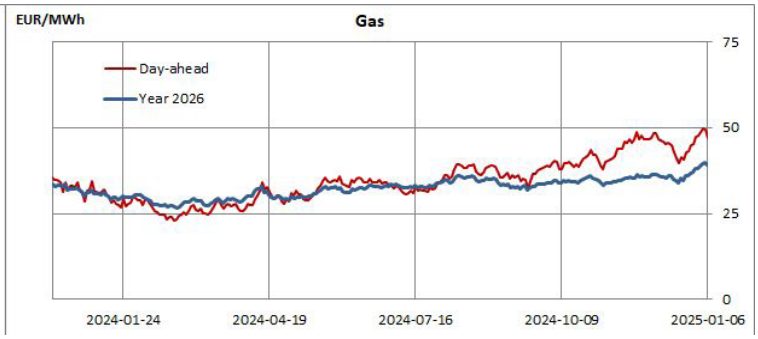
Morning Report January 7 2025



	Expectation	
Oil	↘	Following an uninterrupted week of price climbs last week, this week opened with falling prices on the international oil market. Much focus right now centers around China as the market considers whether or not the new stimulus from the country's government to the struggling economy is sufficient. The market rose on the news last week but yesterday, the Brent front month contract fell to 76,30 USD/bbl before falling further today.
Gas	↘	After the massive price climbs on the gas market over Christmas and New Year, we have seen a downwards correction the last few days. There might be a feeling on the market that the increases have been a bit exaggerated, following the expiry of Russian gas exports to Europe through Ukraine. The market appears to continue down today despite quite cold weather forecasts for the coming week in Central Europe.
Coal	↘	On the coal market, we continue to see a close correlation with gas which meant falling prices yesterday. The API 2 2025 contract fell to 107,75 USD/t. The major uptick on gas recently means that coal has become more attractive in the energy mix but demand is still relatively low.
Carbon	↘	Yesterday, we saw the European carbon market retreat along with gas, as the benchmark contract closed the day at 74,36 EUR/t. Auction supply has ramped up again following a dull period over the Christmas holiday, and this is bearishly received by the market. We consider falling prices as the most likely scenario again in Tuesday's session.
Hydro	↘	During the next few days, temperatures in the Nordic area are going to fall below average and remain there until the weekend. From that point on, a shift to more low-pressure dominated weather is expected, with next week looking quite mild, wet and windy. The outlook remains a bullish factor for the Nordic power market today.
Germany	↘	German power prices fell once again yesterday, following the sentiment on the gas market closely. The country's 2025 contract fell to 91,82 EUR/MWh, as a lot of the increases over the past few weeks are now being erased again. The rest of this week looks quite cold in Germany followed by milder conditions next week, and prices are falling again today.
Equities	↘	On the financial markets, Monday was rather bullish with an increase of 0,98 % on the European Stoxx600 Index and 0,55 % on the US S&P 500 Index. The first signals today do not look quite as positive and we expect a negative development in Europe.
Conclusion	↘	Monday, the Nordic power market opened the week like it closed last week, with falling prices on the most traded system futures. The market responded to mild weather forecasts for the coming week and to a bearish sentiment across the related markets. The forecasts have not changed today and since both gas and German power also appears to continue the downtrend, we expect the Nordic market to edge further down as well Tuesday.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
05-jan	71,87	72,39	64,35	63,45	72,32	54,71	50,68	February	87,75	87,75	50,75	54,75	63,00	58,25	40,00	Day-ahead	46,95
06-jan	24,58	25,35	24,69	25,13	79,23	30,32	28,55	Q2-25	74,53	75,65	21,93	28,40	29,65	30,40	19,40	Year 2026	38,98
07-jan	27,12	25,34	21,21	23,04	19,68	32,77	23,19	2026	86,00	86,50	35,70	44,65	44,25	44,00	34,00		





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