

Morning Report January 8 2025

Expectation

- Oil** ↓

With a few exceptions, oil prices have been rising steadily for the last two weeks and the Brent front month contract is currently trading at three-month high price levels around 77 USD/bbl. Prices continue to climb Wednesday morning as focus is still on whether or not OPEC will follow through on their projected output cuts by April, something which the market leans towards expecting will actually happen as demand is also weak right now.
- Gas** ↓

On the gas market, prices continued to fall yesterday, before we saw a late upturn late in the session. There appears to be a general opinion that the massive increases over Christmas and New Year were a bit exaggerated. The market has therefore corrected lately and even though storages levels are not quite as high as the last couple of years at this time, the supply situation is still comfortable. We expect
- Coal** ↓

There are not any major news to report from the coal market right now, as correlation with gas has remained overall intact over Christmas and New Year, and the markets remain linked this week, still with gas as the major factor. The API 2 2025 contract closed Tuesday at 107,62 USD/t and the market opens largely sideways Wednesday morning.
- Carbon** ↓

Carbon has more or less experienced the same development as gas lately, with very sharp price climbs during the Christmas holiday period, followed by a correction now. It is not unheard of that the markets make exaggerated movements during the holiday periods, where fluctuations are based on low trading activity, and it appears as if the markets are now adjusting.
- Hydro** ↓

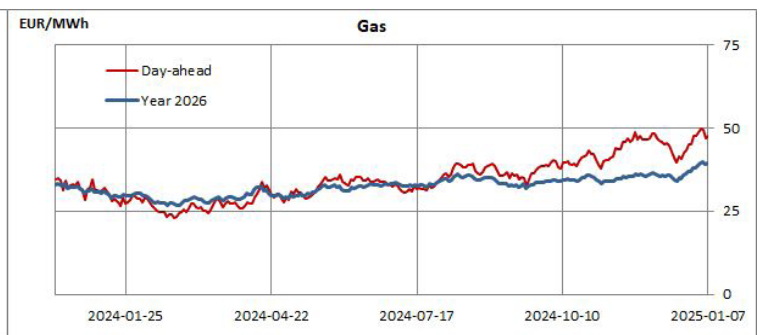
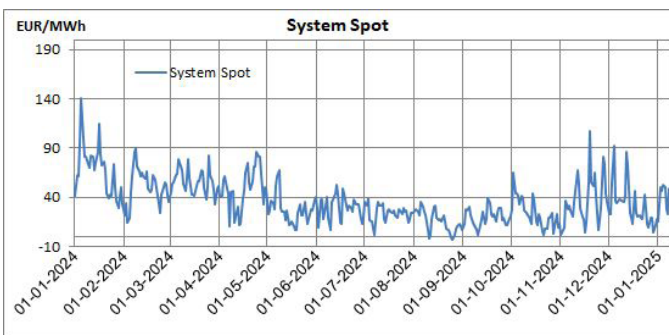
Temperatures in the Nordic area are expected well below normal the next few days, but we are up for a clear weather shift from the weekend. Next week looks significantly warmer, with temperatures 2-4 degrees above average, with precipitation and wind output also set to rise. The outlook is largely unchanged from yesterday and still appears bearish for the Nordic power market today.
- Germany** ↓

There were no noticeable fluctuations on the German power market yesterday, where the most traded futures closed largely neutral as was the case with gas and coal. The country's 2025 contract closed at 91,88 EUR/MWh, marginally higher than Monday. The market opens sideways today but we consider falling prices as the most likely scenario as the markets in general still appear to be in a bearish mode.
- Equities** ↓

Yesterday was rather calm on the European stock markets, with the Stoxx600 Index rising a modest 0,32 %. Later in the day, the situation turned bearish in the US, where we saw a decline of 1,11 % on the S&P 500 Index amid strong employment figures which led to rising interest rates and reduced hopes of further Fed rate cuts in the near future.
- Conclusion** ↓

Nordic system futures continued to fall yesterday with the most trades contracts extending the multi-year lows reached in the previous session. At the end of the day, the Q2-25 and 2026 contracts closed at 18,80 EUR/MWh and 33,20 EUR/MWh, with wet, mild weather forecasts for the coming weeks as the main reason, with the situation on the continental markets of less importance right now. We see a sideways opening today but further price falls cannot be ruled out.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
06-jan	24,58	25,35	24,69	25,13	79,23	30,32	28,55	February	85,00	86,63	49,25	51,75	61,75	55,10	38,00	Day-ahead	47,66
07-jan	27,12	25,34	21,21	23,04	19,68	32,77	23,19	Q2-25	74,90	74,90	21,33	27,80	29,80	29,78	18,80	Year 2026	39,44
08-jan	75,45	70,53	67,68	69,48	63,87	68,82	49,13	2026	84,45	84,70	35,00	43,85	44,20	43,21	33,20		



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