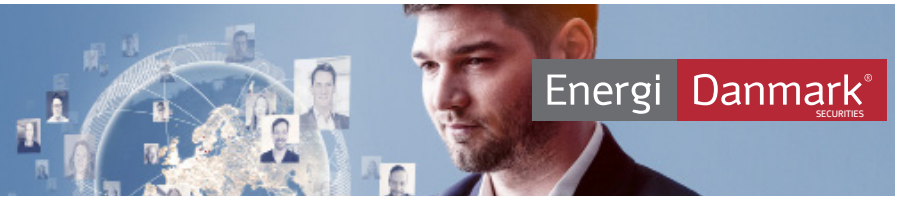
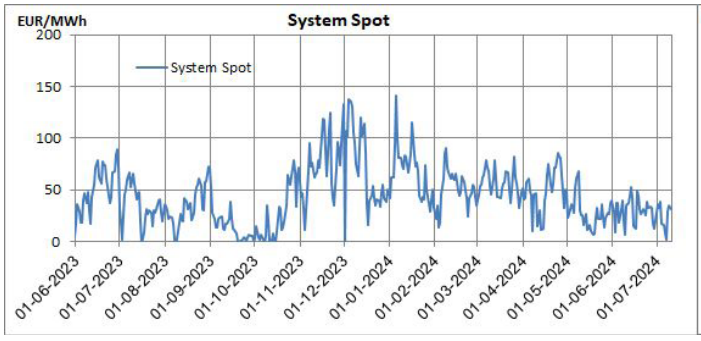
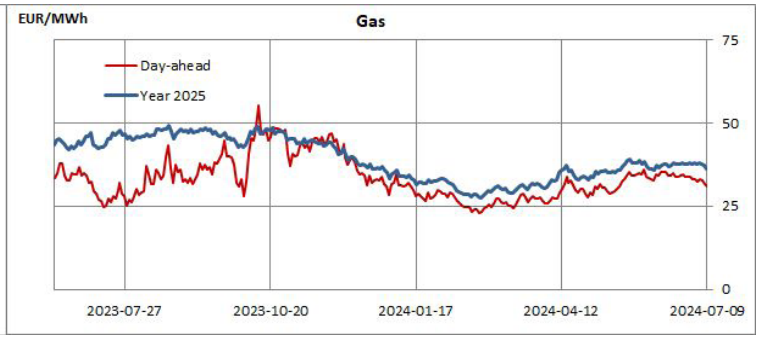
# Morning Report July 11 2024



| | Expectation | |
|---|---|---|
| Oil | ↗ | Following three straight days of losses, the oil market edged back up yesterday. Yesterday, the US government published new numbers on the country's inventory levels, which showed declining numbers, indicating robust demand. This supports the general feeling the market has had earlier this summer and as a result, the Brent front month contract rose to 85,08 USD/t. Today, we see the bullish sentiment continue as prices are rising further. |
| Gas | → | After an initial uptick during the day, the European gas market ended up falling once again yesterday. The futures contracts have now dropped four days in a row as the market remains in a comfortable position, with high storage levels and solid flows. The ongoing concerns surrounding supply from both Russia and the Middle East are still a factor, but right now these topics have been pushed a bit in to the background. |
| Coal | → | Yesterday, the European coal market edged down once again. The correlation with gas appears to have picked up again following a short period where the markets appeared to go different directions. Coal demand remains low in Europe and imports from other continents are low. We expect a more or less neutral sentiment in today's session. |
| Carbon | → | On the carbon market, the decline continued yesterday along with the losses on the related markets. With a closing price of 67,96 EUR/t, the benchmark contract still trades relatively range-bound however, remaining close to the 70 EUR/t market for several weeks now. The market appears to recover modestly early in Thursday's trading. |
| Hydro | → | Thursday morning, there are no major changes to the weather outlook, which continues to show precipitation amounts above or just around seasonal normal during the next 10 days. Temperatures also look more or less average during the period and in general, there are not many changes to the forecasts to offer any direction to the market today. |
| Germany | → | The was no change to the bearish sentiment on the German power market yesterday, as the gas and carbon markets ended up falling further after initially recovering early in the day. At the end of the day, the country's 2025 contract had fallen to 88,90 EUR/MWh, marking the first time in almost three months that the contract drops below 90 EUR/MWh. The market recovers modestly early Thursday, but like yesterday, this could change during the day. |
| Equities | ↗ | The long streak of bullish days on the US stock markets continued yesterday amid falling interest rates on a day without any major events to set direction. Today, all focus will be on the US inflation numbers, which will be published this afternoon. Until then, both the Asian and the European markets open bullishly early in the session. |
| Conclusion | → | Nordic power prices fell further on the short end of the curve yesterday, whereas the long end moved more or less sideways. This marked the sixth straight day where wet weather forecasts and an improving hydro balance caused the Q4-24 contract to edge down, closing at 43,70 EUR/MWh, with the 2025 contract closing at 41,05 EUR/MWh. Today, we see an early uptick but we consider a neutral session as the most likely scenario as the day goes on. |

| Spot | DK1 | DK2 | SE3 | SE4 | HEL | OSL | SYS | Forwards | DK1 | DK2 | SE3 | SE4 | HEL | OSL | SYS | Gas | TTF |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 09-jul | 71,84 | 71,84 | 30,71 | 44,07 | 24,64 | 35,65 | 35,05 | August | 63,93 | 66,18 | 24,20 | 34,95 | 37,20 | 36,45 | 28,95 | Day-ahead | 30,48 |
| 10-jul | 64,18 | 65,46 | 24,15 | 53,76 | 21,70 | 36,13 | 31,63 | Q4-23 | 76,83 | 74,45 | 38,50 | 49,70 | 50,20 | 54,10 | 43,70 | Year 2025 | 36,05 |
| 11-jul | 91,14 | 91,27 | 21,84 | 91,27 | -1,46 | 36,69 | 31,50 | 2025 | 78,18 | 74,93 | 36,05 | 47,45 | 47,40 | 50,80 | 41,05 | | |



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