Morning Report July 26 2024 Energi Danmark*

Expectation

Oil



On the oil market, prices climbed for a second straight day Thursday, and the uptrend appears to continue Friday morning. We currently see some mixed macroeconomic signals, as strong key figures from the US boost hopes of rising demand in the country, whereas more disappointing signs from China somewhat offset the bullish sentiment. The Brent front month contract closed Thursday at 82,37 USD/bbl, up 0,64 USD/bbl from Wednesday.

Gas



After the quite sudden price jump Wednesday, the European gas market returned to the bearish sentiment yesterday. The major story on the market, which dominates in the absence of other stories, is still the strong storage levels across Europe, as it seems clear that Europe will once again reach 100 % gas capacity ahead of the upcoming winter. We see modest increases Friday morning on the back of warmer weather forecasts for the coming weeks.

Coal



There were no noteworthy events to cause any fluctuations on the coal market either yesterday. The market closed at 114,91 USD/t, marginally down from Wednesday. It will take some events on related markets, first and foremost gas or carbon, to cause any volatility on the coal market in the coming weeks which look rather quiet.

Carbon



Demand remains low on the carbon market right now, as summer holiday season is upon us. Auction supply was up however this week and this led to falling prices yesterday. With month-end approaching, the market is positioning itself in the thin trading and technical signals could be decisive today where the market opens modestly up.

Hydro



Ahead of the weekend, the weather forecasts suggest much drier and calmer conditions in the Nordic area from next week. Precipitation amounts will drop below average and wind output will also – with a few exceptions – be less than normal for this time of the year. The outlook still appears bullish for the Nordic power market Friday morning.

Germany



As gas and carbon retreated again yesterday following the sudden increase the previous day, the German power market was also up for falling prices. The country's 2025 contract fell to 88.84 EUR/MWh, 1,21 EUR/MWh lower than the previous close. We see modest increases Friday morning in response to similar events on the gas market, and as temperatures across Germany are set to rise a bit next week

Equities



Thursday was very bearish on the European stock markets, which had to make up for the late losses in the US late in the previous session caused by disappointing earnings from giants Google and Tesla. The Stoxx600 Index ended up falling 0,74 %. The US markets continued to fall yesterday and the negative sentiment also looks set to continue in Europe today.

Conclusion



The Nordic system futures continued to rise Thursday. The market responds bullishly to drier weather forecasts for the coming weeks, with expectations of lower wind output as well. The O4-24 and 2025 contracts closed at 47,50 EUR/MWh and 43,15 EUR/MWh. Since the German power market is not on a similar rally, EPAD's are falling in Denmark. Today, we could see the development continue as the dry forecasts are confirmed, and gas, German power also appear to rise modestly.

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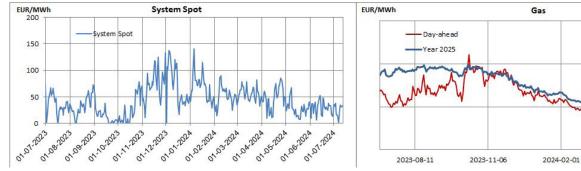
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2024-07-24

2024-04-29

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
24-jul	51,41	51,58	20,88	34,56	30,76	20,85	23,32	August	68,63	71,25	24,50	36,75	29,75	36,40	29,50	Day-ahead	31,84
25-jul	77,14	77,81	22,68	26,81	23,12	22,68	28,81	Q4-23	78,13	72,15	42,75	55,25	55,65	58,25	47,50	Year 2025	36,90
26-jul	89,01	89,01	19,75	28,84	21,08	19,86	25,79	2025	77,40	76,28	38,55	49,55	49,60	52,90	43,15		





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