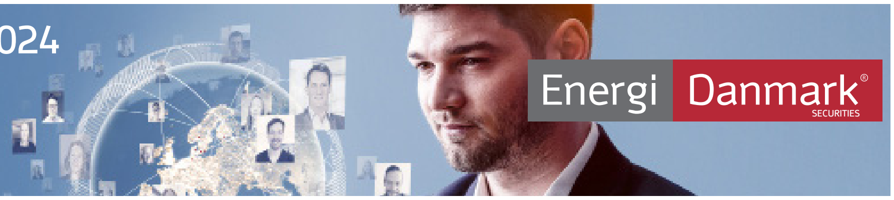
Morning Report October 15 2024



	Expectation	
Oil	↘	Brent oil price slid 2% yesterday to settle at 77,46 USD/bbl as OPEC downgraded its global oil demand growth forecast for 2024 and 2025, while China's oil imports declined for the fifth consecutive month. Weak investor confidence in China's stimulus plans and concerns over potential Israeli attacks on Iranian oil infrastructure further pressured prices. Despite ongoing geopolitical tensions, declining Chinese demand and a stronger U.S. dollar have dampened global oil markets. It opens down over 3 % today and could slide further.
Gas	↘	The European gas market opened the new weekly session yesterday with firming prices, despite the fundamental situation pointing to rather bearish potential. Amid solid supplies at the moment and demand not showing any stronger up-tick yet as we entered the winter season, EU gas storages were last pegged at more than 95% of their combined capacity. Warm weather in northwestern and central Europe during this week could keep short-term demand in check. Yesterday's gains seem mostly sentiment driven, as market participants fear further escalation in the ongoing Middle East conflict and its potential impact on supplies. This morning, the market opens with a gap down.
Coal	↘	It was a muted start to the week on the coal market as prices followed gas higher. The supply situation in Europe is lower a month ago and in Asia they have begun restocking coal supplies as prices are still attractive. However, the main driver will still be the gas market which is opening lower today.
Carbon	↘	Similarly to the gas sector, carbon trading followed Friday's downward adjustment with prices heading higher yesterday. The move brought the Dec '24 benchmark contract to a new 2-week high at 66,18 EUR/t before settling the session at 65,97 EUR/t (+1,35 EUR/t day on day). Still, current fuels demand levels amid rather warm conditions do not warrant any strong demand for EUA's currently to cover fuels emissions. Today's focus will be on the update of Germany's economic sentiment indicator, which could turn supportive in case it improves as expected. Still, upon trading start this morning, losses are incurred.
Hydro	→	A high-pressure system is moving east over the southern and eastern Nordics, bringing colder weather, while northern parts will see some precipitation. By the end of the week, milder and unsettled weather will spread across the region, with temperatures rising to a surplus of 4-5 degrees in the following days. There is a chance the high pressure will stay over the Nordics for longer lowering the expected precipitation to some extent.
Germany	↘	Heading into the new week, the German power market faced some renewed upside yesterday, following Friday's slight downward revision. The front year contract settled the session at 90,12 EUR/MWh (+1,87 EUR/MWh on Friday's result(after hitting a 1-month high at 90,35 EUR/MWh. Bullish impetus came from the combination of firmer gas, coal and carbon prices, which mainly reacted to the Middle East conflict and associated risks. As gas and carbon start today's session on a weaker note, German power contracts follow suit and show sings of softness.
Equities	↗	European stocks closed 0,5% higher on Monday on an optimistic start to the earnings season, simultaneously the US stock markets rallied to new record highs, as investors are seeing more optimism on the expectations of continued lowering of interest rates. Overnight this has extended on the Asian markets, and we expect another solid opening on the European stock markets as futures indicate an upward movement.
Conclusion	↘	It was a quiet day on the Nordic power market yesterday as prices rose slightly but failing to find direction where the Q1-25 and Cal-25 settled at 58,70 and 40,70 EUR/MWh resp., both shy of a 0,50 EUR/MWh gain. The upwards movement was attributed to the surrounding energy markets. The weather forecasts continue to show consistently warmer than normal temperatures and unsettled weather conditions, after the current high pressure dissipates, in the Nordic region.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
13-okt	14,86	13,65	12,16	12,16	12,04	15,04	13,12	November	75,88	76,50	41,90	51,39	48,50	54,50	44,50	Day-ahead	39,89
14-okt	104,67	104,67	38,54	98,22	128,78	44,86	44,65	Q1-25	81,95	79,20	56,10	65,30	78,70	69,20	58,70	Year 2025	39,76
15-okt	95,00	95,00	43,60	58,57	41,68	58,39	38,24	2025	80,08	78,08	36,82	49,20	51,70	48,95	40,70