







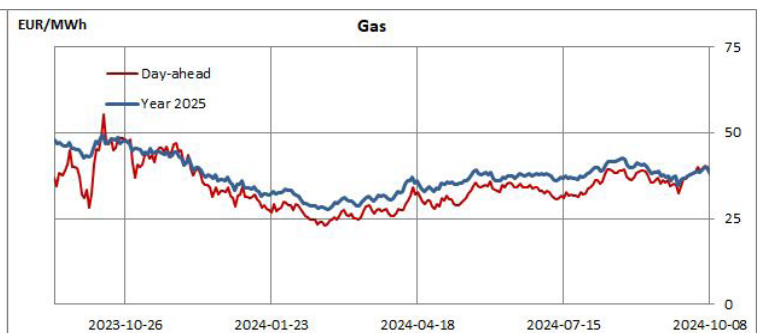
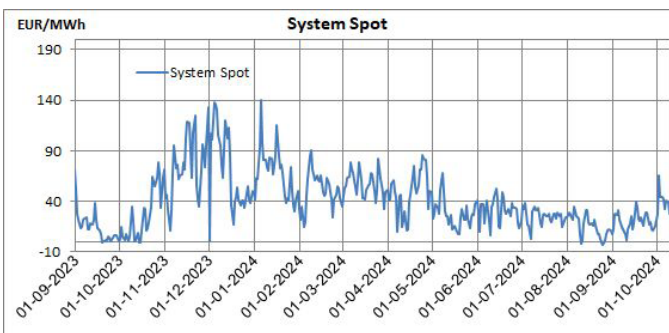


# Morning Report October 9 2024

## Expectation

- Oil**  Following five straight days of quite sharp price increases, the oil market finally took a pause from the rally yesterday. The fears about the situation in the Middle East are still high on the market, but so far, Israel has not yet retaliated against Iran following the latter's missile attack last week. Hopes of a ceasefire between Israel and Hezbollah also resurfaced yesterday, where the Brent front month contract closed at 77,18 USD/bbl. Today, we see an initial rebound early in the day.
- Gas**  On the gas market, we also saw falling prices yesterday. The market has focused on other topics than the Middle East the last couple of days, such as improved flows from Norway, high storage levels and above-average temperatures in Northern Europe. In general, the supply situation in Europe is good right now, and it seems likely that the market could fall further today if indeed there are no new developments in the Middle East. Any news about escalations could however change the picture.
- Coal**  European coal prices fell yesterday for a second straight day, continuing the close correlation with gas. We see improving coal demand in Europe and growing imports from other continents, but not enough to prevent prices from falling when gas is also heading down. The API 2 2025 contract closed yesterday at 125,33 USD/t.
- Carbon**  There was no end to the long-lasting downtrend on the carbon market yesterday, where the benchmark contract extended the six-month lows, but still remains just above the technical resistance point of 60 EUR/t. Recently, the market has fallen amid the end of compliance buying season and the bearish signals from gas of course have had an impact the last two days. Today, the market will continue to test 60 EUR/t, especially if gas continues to fall.
- Hydro**  Expected precipitation in the Nordic area during the next ten days is around 40 % above seasonal average. It is clearly the first half of the period which is the wettest, as a change to drier conditions is expected from early next week. The surplus on the hydro balance is expected to grow amid the wet conditions,
- Germany**  German power prices fell along with gas and carbon yesterday and following the second straight bearish session, the country's 2025 contract closed at 84,70 EUR/MWh. Temperatures are right now above average, and the forecasts suggest that this will remain the case for most of the coming weeks. We could very well see another day of falling prices as gas also continues the downtrend Wednesday morning.
- Equities**  Tuesday, the European stock markets opened the day bearishly, but the US markets were more positive later in the day. The markets had eyes on China and potential further actions from the country's government in order of strengthening the economy which is still not up to speed following the corona virus lockdowns and the concerns about this lead to falling indexes in Asia early Wednesday. Focus today will also center about the notes from the latest US Fed meeting.
- Conclusion**  Yesterday, it was no surprise to see the Nordic power market edge down along with the related markets. In addition to bearish signals from the related markets, the weather forecasts are still quite wet, and the surplus on the hydro balance is growing. As a result, the Q1-24 and 2025 contracts fell to 56,80 EUR/MWh and 39,15 EUR/MWh. Today, the weather forecasts have not changed noticeably and we consider a largely neutral session as the most likely scenario.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
07-okt	70,10	70,10	38,82	38,82	106,67	42,97	41,05	November	73,25	72,50	41,59	51,14	47,50	53,75	44,25	Day-ahead	38,04
08-okt	87,09	89,10	29,11	29,11	29,19	45,44	39,28	Q1-25	79,43	75,55	53,97	62,84	79,55	67,40	56,80	Year 2025	38,54
09-okt	83,05	83,07	8,00	8,00	5,30	41,00	27,28	2025	76,53	73,40	35,20	47,42	51,15	47,65	39,15		



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