

Expectation

- Oil** ↗

International oil prices continued to fall Wednesday, as the market remains confident ahead of the upcoming strategy meeting between OPEC and Russia, that the parties will not agree on further output cuts. The market has previously been caught off guard concerning this topic however, so it is still worth following. Weak key figures from China added to the bearish sentiment, but the market rebounds early Thursday following the approval of the new US debt ceiling by Congress.
- Gas** ↘

The otherwise steady decline on the European gas market was interrupted yesterday, with prices instead rising modestly, possibly because of an outage in the Norwegian production. This does however not appear as a long-term issue, and the market remains focused on high storages and fears of falling demand amid a slowing economy. We expect a turnaround and a return to the negative sentiment today.
- Coal** ↘

Coal in general continues to track the movements on the gas market, causing an upwards correction on the coal market as well yesterday. There are however no changes to the overall bearish fundamental situation, as demand remains low, supply high and competition from the gas market likely will remain high in the nearest future as well.
- Carbon** ↘

Early Wednesday, the European carbon market continued the downtrend, reaching its lowest level in more than four months. We saw a recovery late in the day however, but the market remains under pressure amid high auction supply and intensive short positioning amid speculative investors, something which could lead to a correction later. So far however, the market seems set to continue down.
- Hydro** →

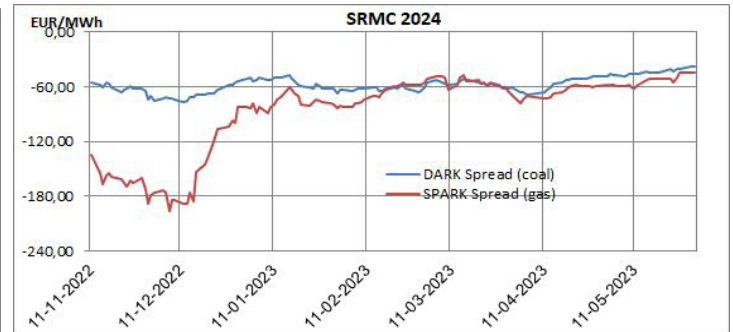
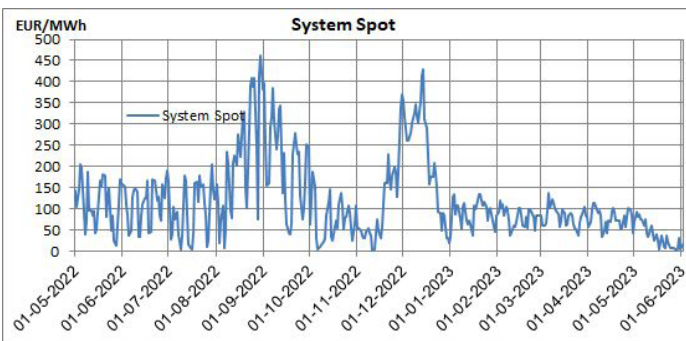
Since yesterday, we have not received any major changes to the Nordic weather forecasts. The 10-day outlook is still significantly drier than average, with precipitation expected less than half of normal, while temperatures should rise during the week and remain above average throughout next week. The hydro balance remains in a double digit deficit.
- Germany** ↘

On a rare day with rising gas and coal, and with a late recovery on the carbon market, the German power market also managed to claw back some of the previous losses yesterday. The country's 2024 contract rose 2 EUR/MWh to 124,58 EUR/MWh, but we expect a return to the bearish sentiment in Thursday's trading, where gas, coal and carbon also has started falling again.
- Equities** ↗

Yesterday, the markets were a bit nervous ahead of the vote in the US congress on the new debt ceiling, while fears about the fading global growth added to the negative sentiment. As a result, both the European and the US markets edged down. The debt ceiling vote passed in Congress this night, and this could lead to a rebound on the markets today, where focus will also be on EU key figures on consumer prices.
- Conclusion** →

Wednesday, the Nordic power market traded largely sideways. The modest increases on the fuel markets and on the German power market prevented further losses, but there are no major changes to the fundamental situation to report. The Q3-23 and 2024 contracts both ended the day more or less where they started, closing at 46,00 EUR/MWh and 65,10 EUR/MWh respectively. Today, we could see another neutral development, since the weather forecasts are largely unchanged and quite dry, while German power retreats slightly.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
30-maj	87,55	87,55	50,77	86,32	34,70	59,22	30,16	July	73,25	70,25	30,29	45,25	29,00	65,75	35,75
31-maj	56,34	56,23	28,41	56,23	-0,77	47,59	5,92	Q3-23	82,75	81,75	41,05	56,89	46,00	77,00	46,00
01-jun	65,84	65,84	36,88	65,84	5,11	50,76	17,64	2024	110,85	109,85	60,75	78,60	56,60	93,10	65,10



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.