

Expectation

- Oil** ↗

In Thursday's trading, we saw a recovery on the international oil market, as the approval of a new debt ceiling in the US provided some optimism to the market about the state of the economy in the world's largest oil consumer. As a result, the Brent front month contract managed to recover after dropping sharply earlier in the week, closing the day at 72,66 USD/bbl. Early Friday, the market continues upwards as focus is also on the upcoming OPEC+ summit.
- Gas** ↘

Following a short-lived increase Wednesday, the European gas market returned to the downtrend yesterday, as the gas leak in Norway, which the previous increases had been attributed to, was repaired. The TTF day-ahead price dropped to 23 EUR/MWh, the lowest level since October last year, and the we could see prices fall Friday as well, although the market initially opens with sideways trading.
- Coal** ↘

Coal followed gas downwards in yesterday's trading, as the API 2 2024 contract reached the lowest price level in almost two years, closing at 91,50 USD/t. Prices have almost dropped 50 % since the beginning of the year amid continuously low demand, high competition from gas and very high stock levels at the big European coal terminals.
- Carbon** ↘

As the fuel markets changed direction and started falling again yesterday, the sentiment also remained bearish on the European carbon market, which has fallen steadily during the last weeks. Demand is low and auction supply high, but we have seen several times earlier that the market can suddenly change direction, if speculative investors start buying.
- Hydro** ↗

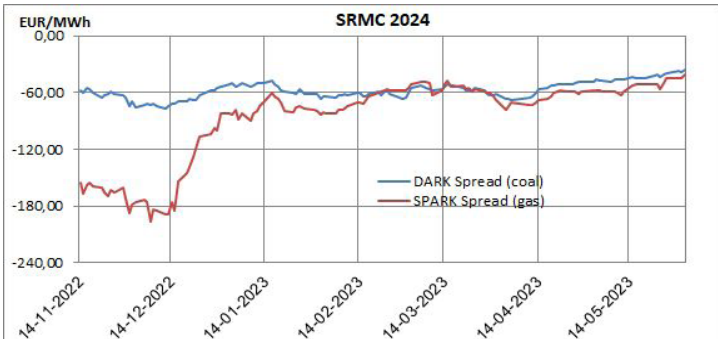
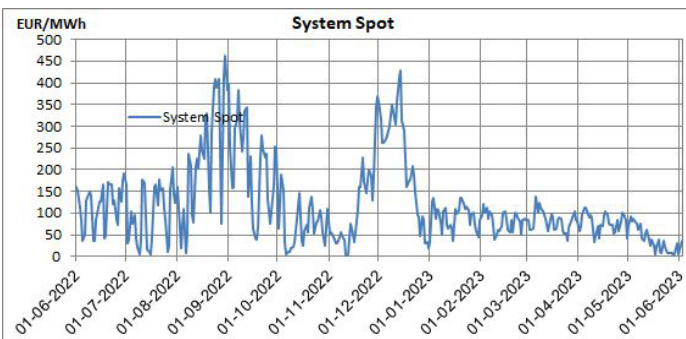
Ahead of the weekend, we see a confirmation of the very dry outlook for the Nordic area, with expected precipitation during the next ten days less than half of seasonal average. The already big deficit on the hydro balance is set to increase further if the forecasts turn out to be right, and the outlook is therefore bullish for the Nordic power market.
- Germany** ↘

German power prices dropped along with the fuel and carbon markets yesterday, in a bearish fundamental picture which has brought the country's 2024 contract to the lowest level in 14 months, as it closed yesterday at 118 EUR/MWh. Today, we consider further losses as the most likely scenario, but if we do see a correction on the gas market, German power should follow.
- Equities** ↗

Both the European and the US stock markets experienced a bullish session yesterday in the wake of the agreement of a new debt ceiling in the US. Better-than expected key figures on inflation added to the upside, and the positive sentiment continues early Friday in Asia. Today's focus will be on the monthly US job report, which will be published this afternoon.
- Conclusion** ↗

Drier weather forecasts and a growing deficit on the hydro balance was in focus on the Nordic power market yesterday, and the short end of the curve rose as a result, with the Q3-23 contract climbing to 48,50 EUR/MWh. The bearish sentiment in Germany and on the gas market led to a bearish day on the 2024 contract however, which fell to 64,75 EUR/MWh. Today, the very dry outlook for the coming weeks is confirmed, which could cause another uptick on at least the short end of the curve.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
31-maj	56,34	56,23	28,41	56,23	-0,77	47,59	5,92	July	69,80	66,80	32,80	48,30	32,80	68,80	38,80
01-jun	65,84	65,84	36,88	65,84	5,11	50,76	17,64	Q3-23	78,50	77,50	43,50	59,39	47,50	75,00	48,50
02-jun	81,02	80,73	24,00	80,05	23,08	55,00	36,03	2024	106,75	105,75	60,40	78,25	56,25	91,75	64,75



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