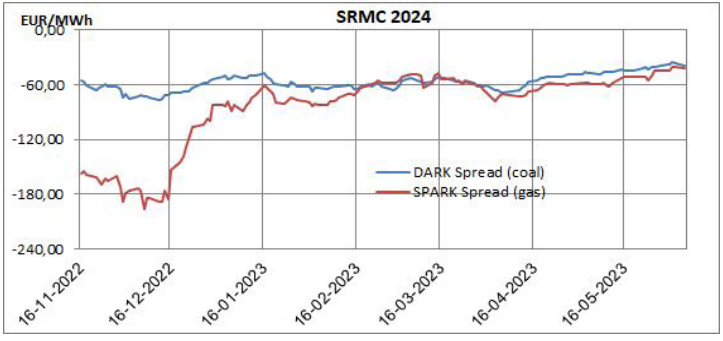
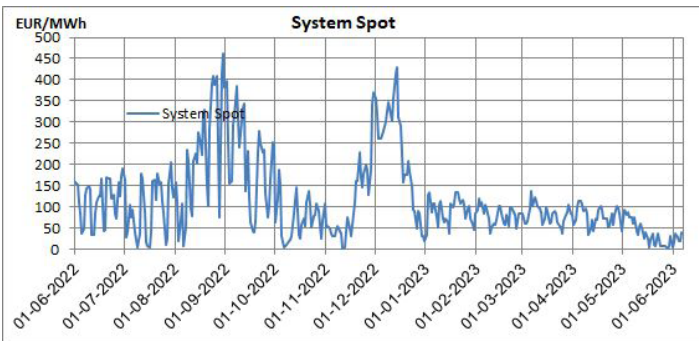


## Expectation

- Oil** International oil prices continued to climb early in Tuesday's trading amid the news that Saudi Arabia, the largest producer within OPEC, will unilaterally cut production by 1 million barrels per day during July. Saudi Arabia had tried to convince the rest of OPEC also to cut production, but these countries would only agree on continuing the existing output agreements. The Brent front month contract climbed to 76,71 USD/bbl as a result, but falls early Tuesday.
- Gas** Following a long steady decline on the European gas market, we saw a sudden massive price jump Monday, with both delivery prices and curve contracts rising rapidly. The TTF front month contract climbed more than 20 % amid signs that LNG demand in Asia is ramping up, something which means Europe would have to raise prices as well in order to continue to attract the LNG. Warm weather forecasts for Northern and Central Europe the coming weeks added to the upside.
- Coal** In response to the fierce price jump on the gas market, which was the decisive even across the markets yesterday, European coal prices also rose noticeably. The API 2 2024 contract was up more than 10 USD/t, closing the day at 107 USD/t, as the suddenly rising gas prices make coal more attractive in the European energy mix.
- Carbon** The rapidly rising prices across the fuel markets are also a bullish signal for the carbon market, which had previously been sliding along with gas during the previous months. Yesterday however, the benchmark contract rose to 82,48 EUR/t, as a very warm weather outlook for parts of Europe added to the bullish sentiment, which continues early Tuesday.
- Hydro** Over the weekend, we have received some extremely dry weather forecasts for the Nordic area. Expected precipitation during the forthcoming two weeks is less than 20 % of seasonal average according to some runs, and this causes a rapidly growing hydrological deficit. The outlook is of course bullish for the Nordic power market.
- Germany** On an overall bullish day across the markets, with both fuels and carbon making noticeable price jumps, the German power market of course also edged up. The country's 2024 contract was up almost 8 EUR/MWh, closing at 125 EUR/MWh, as the next few weeks look warm in Germany, and the country's consumption is expected to increase. Today, we expect the market to rise further.
- Equities** Monday, the week opened bearishly on the international stock markets. The European Stoxx600 Index was down 0,48 %, and the US markets also edged down later in the day. The losses followed a strong close to last week following some optimistic signals from the US job report Friday. The first signals today are largely neutral in Asia.
- Conclusion** Yesterday, we saw a big price jump on the Nordic power market, where several key fundamentals have turned bullish. The weather forecasts now look extremely dry for the coming weeks, and the fuel markets as well as the German power market has started rising due to warmer weather and higher gas demand in Asia. The Q3-23 and 2024 contracts rose to 55,23 EUR/MWh and 69,50 EUR/MWh respectively, and we consider further increases likely today as the related markets continue upwards.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
04-jun	49,67	53,56	10,43	52,93	9,16	41,85	19,00	July	80,25	77,25	39,00	54,50	39,00	72,00	45,00
05-jun	90,53	90,53	5,30	89,94	4,04	51,08	19,03	Q3-23	86,48	84,73	49,73	64,23	54,23	79,23	55,23
06-jun	97,41	97,41	18,41	96,45	17,42	50,38	40,25	2024	112,00	111,00	64,75	82,50	61,00	94,50	69,50



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