







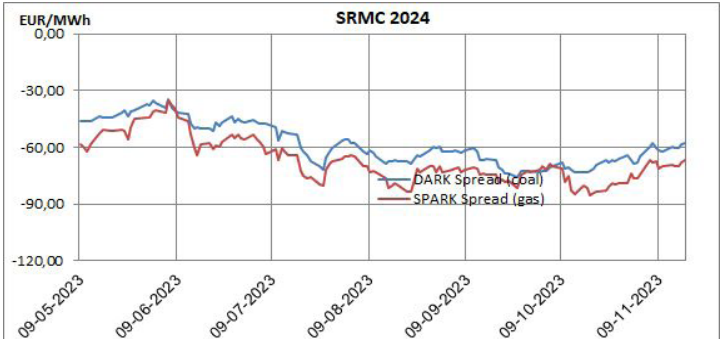
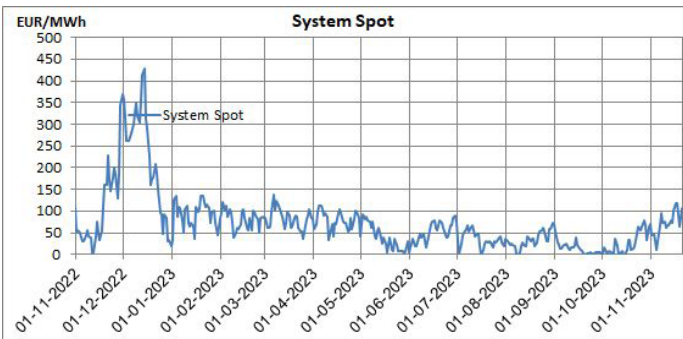


Morning Report November 20 2023

Expectation

- Oil**  Ahead of the weekend, we saw a rebound on the oil market. The sudden drop of almost 5 USD/bbl Thursday for the Brent front month contract seemed a bit exaggerated and it was therefore no surprise to see the market win back at least some of these losses in the following session. The market continues up early Monday, as OPEC and Russia are reportedly considering further output cuts after the recent losses which have sent the market to the lowest price level in four months.
- Gas**  European gas prices continued to fall Friday, both on the day-ahead market and on the futures market. The market generally appears to consider the risk of an escalation to the war in the Middle East as much lower than a couple of weeks ago, and risk premium is therefore steadily removed as time goes on without a bigger war. Today, we do see a rebound which should be attributed to colder forecasts which have ticked in during the weekend.
- Coal**  We saw further losses on the European coal market early Friday, where the market extended the four-month lows it had reached during the previous session. The market managed to close largely neutral for the day, but the fundamental situation remains overall bearish amid low demand and no signs that gas prices are about to skyrocket anytime soon.
- Carbon**  On the carbon market, last week ended with a largely neutral session. The market has tried to climb back above the 80 EUR/t barrier throughout the week, but bearish signals from the fuel markets as well as negative expectations to the economy limits the upside. We expect the market to remain within the 75-80 EUR/t-range this week, but rising prices are likely today as the related markets also climb.
- Hydro**  During the weekend, we have received some colder weather forecasts for Northern Europe including the Nordic area. Following a short, mild period mid-week, we will once again see a return to cold conditions around the weekend, with precipitation and wind output also expected below average. The outlook is bullish for the Nordic power market.
- Germany**  German power prices continued to fall in Friday's trading. This was primarily due to the development on the gas market and the weather forecasts, which Friday showed mild conditions in Germany throughout this week. The country's 2024 contract closed the day at 112 EUR/MWh, but rebounds today due to colder weather forecasts and rising gas.
- Equities**  Although the increases were quite minimal, last week ended bullishly on the financial markets. There are hopes, that the US Fed is done increasing interest rates, although we will see more indications on this during the coming days. Today, the first signals from Asia are also optimistic and we could very well see a bullish opening in Europe as well.
- Conclusion**  Last week ended with another bearish session on the short end of the Nordic power market, whereas the long end moved sideways. The Q1-24 and 2024 contracts closed at 67,50 EUR/MWh and 44,90 EUR/MWh respectively, amid falling related markets and no major changes to the weather outlook. Over the weekend however, we have received cooler forecasts, and this combined with a high spot level over the weekend and today should pave the way for a rebound on the futures market today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
18-nov	91,30	91,34	89,34	89,43	91,12	88,37	88,76	November	81,50	78,00	59,00	67,00	66,00	84,00	64,00
19-nov	49,59	63,91	63,71	63,71	63,71	64,70	63,30	Q1-24	97,00	88,00	62,75	79,50	75,65	87,50	67,50
20-nov	106,05	105,47	105,41	105,41	116,09	103,86	107,86	2024	105,00	97,00	41,60	56,15	53,00	63,65	44,90



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