

# Morning Report January 29 2024

Energi Danmark<sup>®</sup>  
SECURITIES

## Expectation

Oil



Following several weeks of sideways trading within a rather narrow price range, we finally saw some fluctuations on the international oil market last week. The market responded bullishly to strong US economic key figures and to falling inventory levels, indicating an increase in demand. Meanwhile, the unrest in the Red Sea area added to the upside. The Brent front month contract closed Friday at 83,55 USD/bbl and continues up Monday following the attack on US soldiers in Jordan.

Gas



There were no major movements on the European gas market Friday, but uncertainty arose later in the day due to news about an outage to the important US Freeport gas facility. The most traded contracts moved more or less sideways, as the bearish fundamental situation continues and prices are at the lowest level in more than two years. Early this week, the market is nervous both because of the increasing risk on the oil market and because of the uncertainty about exports from the US. The first signals are neutral however.

Coal



Friday, the week ended with modest price climbs on the coal market. As long as the gas market remains largely subdued, coal is not seeing any major price climbs either. Imports to Europe have picked up following a dull period late last year, as consumers take use of the current low price levels, and the correlation with gas should continue this week.

Carbon



On the carbon market, last week also ended with a largely neutral session and the market appears to have found at least some temporary foothold following the sharp losses during the first weeks of January. It will however come down to gas this week as well, as the market opens sideways today but should follow the movements on the gas market.

Hydro



This week looks overall mild and windy in the Nordic area, until a shift to colder and calmer conditions should gradually start from around the weekend. Temperatures should drop below average next week, significantly colder than the current level 3-4 degrees above normal. The outlook, largely unchanged from Friday, appears neutral for the Nordic power market.

Germany



Like the gas and carbon markets, the German power market traded more or less sideways Friday. Prices rose modestly early in the day before declining later on, as the bearish fundamentals remain intact with low strong supply and quite low demand. The country's 2025 contract closed at 80,34 EUR/MWh and should be up for another largely neutral session today.

Equities



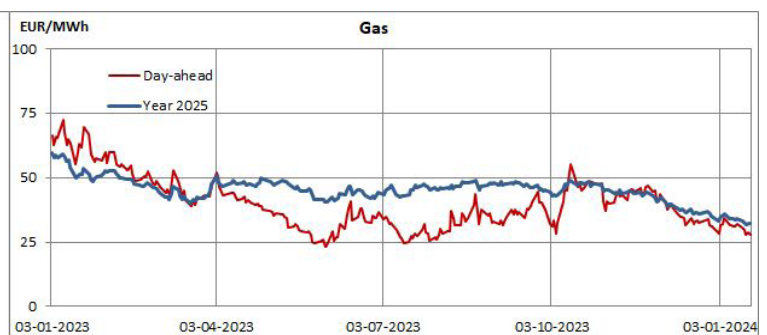
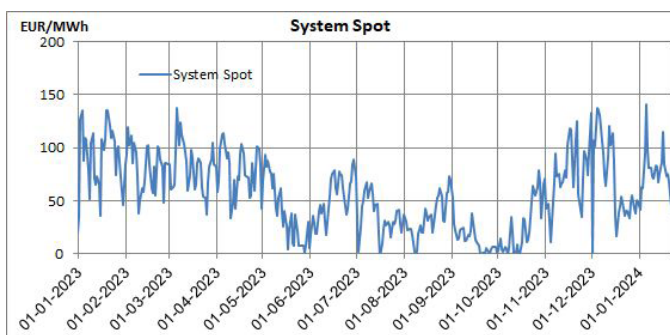
A bullish week ended with further increases on the European stock markets Friday, followed by a more neutral session in the US. All focus this week turns to the major key figures that are scheduled, European figures on inflation Wednesday and the US job report Friday. The Asian markets open bullishly Monday and Europe could also increase today.

Conclusion



Nordic power prices started falling again Friday as the weather forecasts appeared somewhat milder than the previous session. Meanwhile, spot prices have decreased lately due to an improving hydro balance. The Q2-24 and 2025 contracts fell to 34,60 EUR/MWh and 38,70 EUR/MWh respectively, and the market looks set for a day with modest fluctuations today, as there are no major changes to neither forecasts nor the related markets.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
27-Jan	57,48	40,53	17,80	20,07	17,80	57,50	36,50	February	63,33	65,23	52,48	58,61	73,23	67,73	55,23	Day-ahead	27,78
28-Jan	54,91	48,58	12,58	27,70	12,35	54,55	29,57	Q2-24	58,35	53,60	29,35	40,10	39,60	46,10	34,60	Year 2025	32,43
29-Jan	77,71	67,36	48,92	56,75	12,57	70,47	41,05	2025	73,95	72,45	33,70	45,85	42,70	50,95	38,70		



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