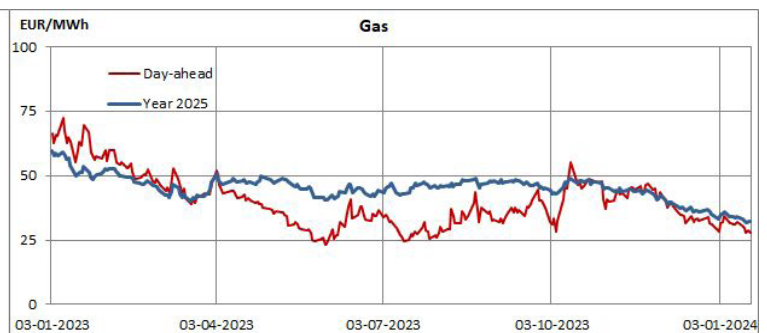
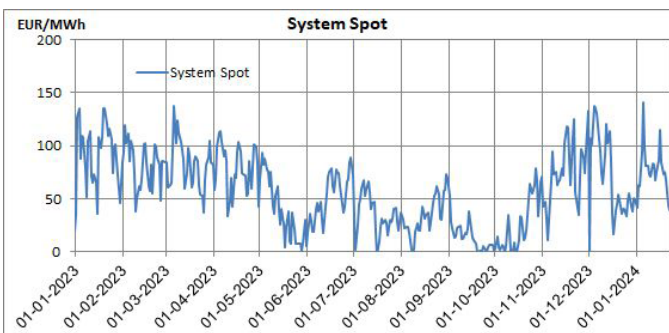


Morning Report February 5 2024

Expectation

- Oil** Last week ended with another downtick on the oil market, where the Brent front month contract in a matter of just three days has fallen around 8 %. Rumors that Israel and Hamas were closing in on a ceasefire agreement caused a bearish sentiment. This was supported by the US job report Friday, as interest cuts now look unlikely in the nearest future. The market rises modestly early Monday as the tensions in the Middle East continue to loom.
- Gas** On the gas market, fluctuations were rather modest Friday, as any potential upside is limited by an overall healthy supply situation. Storages are still very full compared to normal, but some supply concerns amid the crisis in the Middle East do influence the market at the moment. We expect further increases today due to news about an unexpected outage to the large Norwegian Troll gas field.
- Coal** The European coal market appears caught in the same kind of mixed signals as gas at the moment. The overall outlook remains bearish, but some general concerns about colder weather and lower gas supply prevent prices from falling further. The API 2 2025 contract rose marginally to 95,19 USD/t and could climb along with the gas market Monday.
- Carbon** During the last couple of weeks, we have seen largely rangebound trading in the 60-65 EUR/t range for the European carbon market. This is still around a two-year low price level as supply is high while demand remains relatively low. This week, a lot of focus will be on the EU which is expected to provide further details on the 2040 carbon emission plans, something which could potentially influence the carbon market.
- Hydro** The next ten days look rather cold and dry in the Nordic area, with wind output also expected below seasonal normal. The middle of this week should be the coldest, with temperatures 4-5 degrees below average, before milder conditions are on the way next week. The outlook is, although the weather turns milder next week, bullish for the Nordic power market.
- Germany** With largely sideways trading on the gas and carbon markets, the German power market was also largely unchanged Friday. The country's 2025 contract ended up closing at 81,39 EUR/MWh, still only a couple of euros higher than the two-year lows from late January. Monday, we could very well see the market increase along with gas.
- Equities** All eyes Friday were on the US job report, which came out very strong. This led to reduced hopes of interest rate cuts this year, but nonetheless, the stock markets ended up closing with increases. The S&P 500 Index closed with a new record high despite the interest rate hikes but the signals from Asia early Monday are a bit more mixed.
- Conclusion** Nordic power prices have been rising steadily through the last week, and the uptrend continued Friday. The forecasts show cold, dry and calm weather conditions as long as the eye goes, and this currently overshadows the bearish signals on the market. The Q2-24 and 2025 contracts closed at 42,10 EUR/MWh and 40,95 EUR/MWh respectively and the price gap between the German and Nordic market narrows. Today, we expect the increases to continue due to cold forecasts, gas outages in Norway and general geopolitical uncertainty.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
03-feb	35,07	26,48	0,97	0,97	0,97	42,42	14,25	March	65,00	67,35	55,12	59,70	76,50	68,95	58,50	Day-ahead	28,74
04-feb	15,49	13,79	13,50	13,50	13,50	31,26	19,06	Q2-24	62,35	59,35	36,85	47,60	45,60	53,60	42,10	Year 2025	33,05
05-feb	42,12	44,15	44,08	44,08	47,43	45,31	45,82	2025	76,58	74,45	34,55	48,10	44,95	52,95	40,95		



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