

Expectation

Oil



Prices continued to rise on the international oil market yesterday. The situation is caused by a couple of bullish factors that currently dominate on the market. The most recent report from the US Energy Administration (EIA) shows falling crude oil production in the US, and the EIA also expects lower production over the coming years. Rising tensions in the Middle East adds to the upside on the market, which continues to rise early in Thursday's session.

Gas



There were no major changes on the gas market yesterday, where the most traded contracts closed marginally below the previous close. Following a couple of outages, the market now sees improved supply from Norway again, but the bearish effect of these news are somewhat offset by the fact that the coming week looks rather cold in Northern Europe. Unless we see any changes to the weather forecasts, falling prices look likely again today.

Coal



The fundamental situation is also largely unchanged on the coal market, where low demand and strong supply has been the picture for several months now. There are no signs that coal demand will ramp up noticeably in Europe anytime soon, as gas remains cheap and coal is in general out of favor with increasing renewable capacity taking over instead.

Carbon



On the carbon market, the losses continued yesterday. Strong auction supply led to the bearish development but the market still remains within the 60-65 EUR/t range where it has found itself for several weeks now, and we expect this to remain the case in the coming time, as there were no major news from the EU 2040 plan to cause fluctuations.

Hydro



Temperatures in the Nordic area are expected more than 5 degrees below average during the next couple of days, but from that point and on, the level will rise steadily to around seasonal average early next week. Then, the forecasts project a week of just around average temperatures and precipitation amounts will meanwhile increase. The outlook appears somewhat bearish for the Nordic power market today.

Germany



With a closing price of 78,05 EUR/MWh, the German 2025 power contract fell to its lowest level in more than two years yesterday. The steady price falls on the gas market and a carbon market which is also quite subdued at the moment are the main price drivers, with only a rather short period of cold weather in sight. The market opens further down today.

Equities



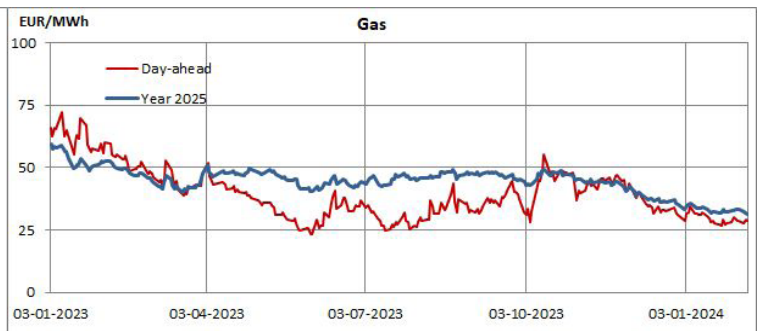
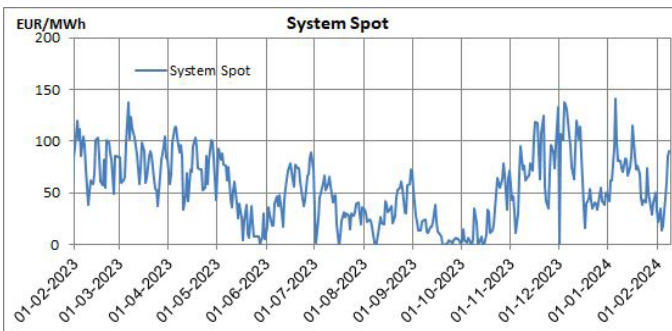
Yesterday, the US stock markets closed with increases once again, and we also see signs of a bullish start to the day in Europe Thursday. This despite the fact that both the US Fed and the ECB are in no rush to lower interest rates at the moment. The overall bullish markets will also have focus on unemployment figures from the US today.

Conclusion



Wednesday, the sentiment changed on the Nordic power market. Following seven straight days of increases, we saw a turnaround and the Q2-24 and 2025 contracts fell to 42,15 EUR/MWh and 41,25 EUR/MWh respectively. The development was attributed to falling related markets and to somewhat milder weather forecasts for the Nordic area. Today, the milder outlook is confirmed and we look set to continue yesterday's downtrend.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
06-feb	48,75	58,28	60,69	60,69	122,47	60,69	61,44	March	66,00	66,00	54,75	59,82	79,00	71,00	60,00	Day-ahead	28,70
07-feb	79,47	80,61	81,15	81,15	111,62	80,48	85,82	Q2-24	59,15	54,65	36,01	47,55	46,28	53,65	42,15	Year 2025	31,39
08-feb	88,43	88,63	88,63	88,63	112,39	88,00	90,29	2025	75,25	72,00	34,40	47,65	45,55	53,25	41,25		



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