

Morning Report March 22 2024

Energi Danmark[®]
SECURITIES

Expectation

Oil



Oil prices slipping on the possibility of a nearing Gaza ceasefire that could ease geopolitical concerns in the Middle East, while a stronger dollar and faltering U.S. gasoline demand also weighing on prices. In the United States, gasoline product supplied, a proxy for demand, slipped below 9 million barrels for the first time in three weeks, indicating a possible slowdown in crude demand. Brent crude oil futures fell 42 cents, or 0.5%, to \$85.36 a barrel by Friday morning.

Gas



Amid a fundamental situation that showed little changes, European gas prices maintained Wednesday's trajectory also yesterday and shifted lower again. The short period of cooler conditions for Central Western Europe at the beginning of next week seems to have only marginal impact. Currently mild conditions, high storage levels as well as some improvement in Norwegian flows set the tone instead and put concerns about rising LNG demand in Asia into the background to some extent.

Coal



Yesterday, years 2025-2027 ended green and quarters ended red. Procentual changes were between -1 to 1 procent. The coal market tends to keep a direction slightly upwards. It seems that the coal can go opposite direction than other fuels for the time being. However, the coal is not immune for possible demand weaknesses and gas is more competitive so we expect that coal price development will soon follow other fuels and spreads. Today, we expect sideways movements.

Carbon



CO2 lost some ground yesterday tracking gas lower as winter is coming to an end. We now know that the risk for short covering movements are lower due to a lower open interest from speculators making the market less sensitive on the upside. It seems like a range between 55-63 EUR/tonne could emerge from recent development. We do expect a fairly neutral day today revolving around the 60 mark/tonne due to it is Friday before Eastern which leads to a low opening of new positions.

Hydro



Today and over the weekend a major low is moving in over the Nordics from west with wet, windy and mild weather. As stated yesterday this will move on during the weekend and colder and dryer weather will follow. A dryer forecast today for the coming week can give support on the upside today but the change might not be strong enough to trump other factors as seen yesterday.

Germany



Similarly to Wednesday's development German power prices were also yesterday seen to soften a bit further. The front year contract settling at 77,81 EUR/MWh lost 2,62 EUR/MWh on the day. At its settlement of 55,77 EUR/MWh the front month contract at the same time dipped 1,73 EUR/MWh. In a session where gas and carbon prices softened in tandem once more, German power contracts followed suit.

Equities



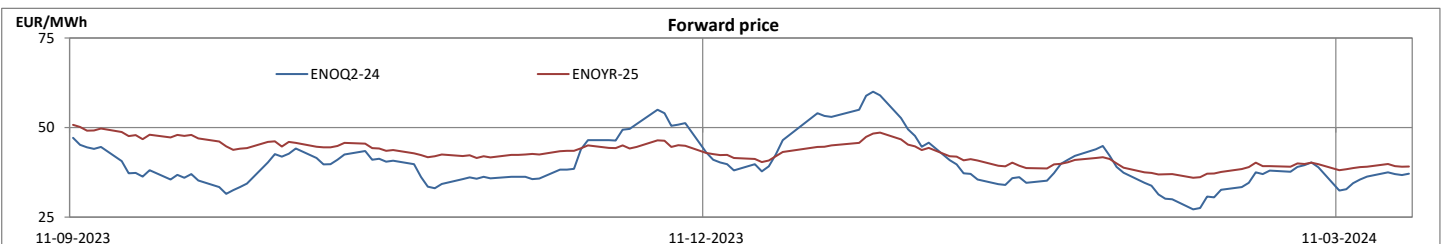
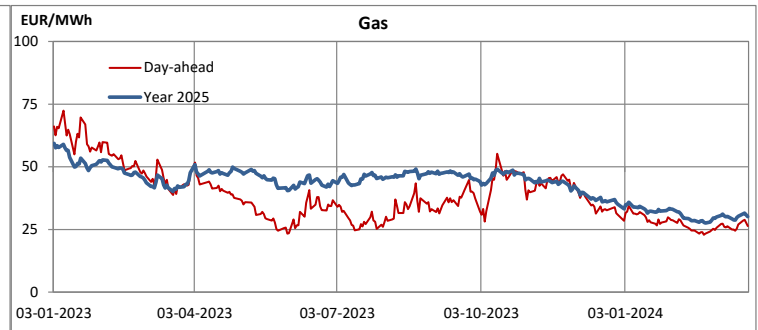
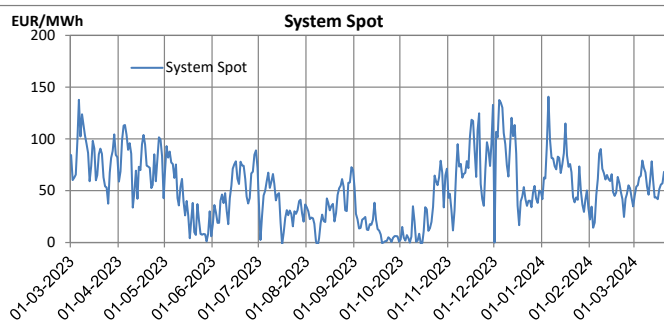
Interest rates continues to be the main focus on the global stock markets. Surprisingly Switzerland's central bank lowered their rate yesterday which only electrified the markets higher where the Stoxx 600 rose 1%. However the Asian markets have been in neutral territory over night and European markets will likely follow.

Conclusion



An initial price drop on the Nordic power market was later swept away as the colder and drier weather forecasts disregarded the falling gas and German power prices. The Q2-24 and Cal-25 closed at 37,10 and 39,13 EUR/MWh resp. As the cold and dry forecasts has enhanced this morning we seem poised for another pull from weather while German prices seems once again to be on the defensive.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
20-mar	91,34	91,34	70,47	85,24	64,73	72,84	68,12	April	52,75	56,00	44,75	52,50	46,50	56,00	48,00	Day-ahead	26,35
21-mar	79,42	80,17	73,99	79,79	82,63	71,72	66,43	Q2-24	51,85	50,60	31,85	44,35	35,85	46,10	37,10	Year 2025	30,11
22-mar	49,61	49,10	47,06	47,06	47,06	53,59	50,70	2025	75,38	73,63	33,78	45,03	43,63	48,88	39,13		



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