

Morning Report March 25 2024

Energi Danmark
SECURITIES

Expectation

Oil



Last week ended with a modest decline on the oil market, but with a closing price of 85,43 USD/bbl, the Brent front month contract is still close to the four month-highs reached earlier in the week. The bearish sentiment was attributed to a strengthening US dollar compared to other leading global currencies, something which makes the dollar-bound oil more expensive for foreign investors. The market rises modestly early Monday in what could be a reaction to increasing geopolitical uncertainty.

Gas



European gas prices rose in Friday's trading in an apparent reaction to an escalation to the Russian-Ukrainian war amid a large-scale Russian attack on the Ukrainian energy infrastructure system. The uptrend was also attributed to colder weather forecasts for the beginning of April, although no return of winter weather is in sight. Today, the market opens bullishly as well.

Coal



Despite a relatively calm period last week with only modest fluctuations, the European coal market continues to linger around three-month high price levels. There are no signs of coal becoming a very important factor in the European energy mix anytime soon however, so even though this weeks appears to open bullishly as well, the upside appears limited.

Carbon



Auction supply on the European carbon market is expected to decline in the coming time amid Easter holiday season. The reduced supply, combined with the bullish sentiment on the fuel markets, led to an uptrend Friday where the benchmark contract, EUA Dec-24, climbed to 61,51 EUR/t. Today, the market rises further in what appears as a reaction to growing geopolitical uncertainty.

Hydro



During the coming week, temperatures and precipitation amounts are expected above average as a low-pressure is expected to dominate most of the week. From next week, we could see a change in weather to lower temperatures. The outlook as it stands appears neutral for the Nordic power market early Monday morning.

Germany



The German power market rose along with gas, coal and carbon in Friday's session. Somewhat cooler weather forecasts added to the upside. The country's 2025 contract closed at 80,41 EUR/MWh and we expect another bullish day Monday, where the fuel and carbon markets are also rallying due to rising geopolitical concerns amid terrorism in Moscow.

Equities



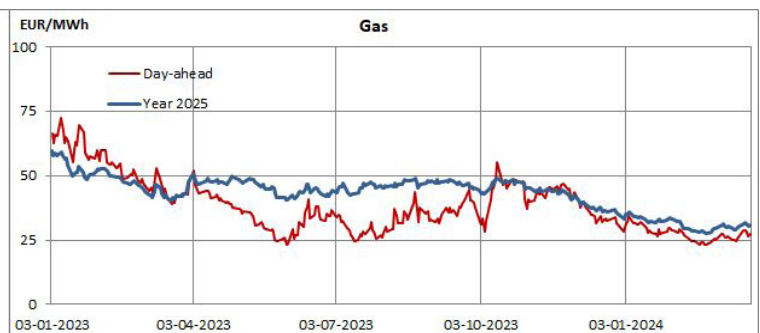
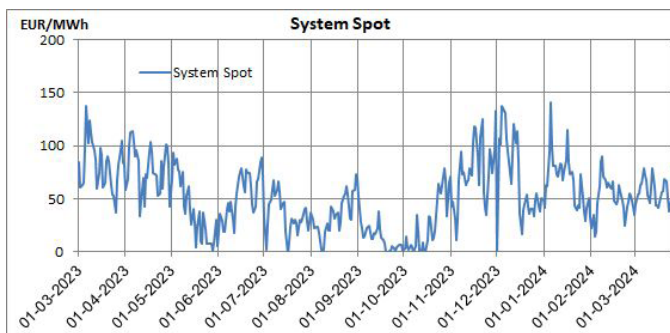
Friday, the financial markets closed the week with a more or less neutral day, where both the European and US markets edged modestly down. The neutral sentiment continues early Monday, where there are no major events scheduled to cause any fluctuations. Later this week, focus will turn to inflation figures from both Europe and the US.

Conclusion



On the Nordic power market, last week ended with sideways trading amid modestly rising related markets but no major changes to the weather forecasts. As the market closed, the Q2-24 and 2025 contracts cost 37,35 EUR/MWh and 39,00 EUR/MWh respectively. We expect rising prices Monday, particularly due to the rising prices on the related markets, where both gas, carbon and German power opens the day with a noticeable upturn.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
23-mar	31,23	32,92	35,11	35,11	35,11	38,94	37,81	April	54,35	57,50	45,25	53,00	47,00	55,25	48,50	Day-ahead	27,36
24-mar	44,76	47,88	49,27	49,27	49,27	48,67	50,51	Q2-24	54,85	52,10	32,10	44,60	36,35	46,35	37,35	Year 2025	30,91
25-mar	84,56	84,56	84,30	84,30	91,40	80,36	82,02	2025	76,25	74,25	33,70	44,90	43,50	48,75	39,00		



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