

Morning Report March 27 2024

Energi Danmark[®]
SECURITIES

Expectation

Oil



International oil prices fell modestly yesterday after the quite noticeable increases during the previous weeks. The minor losses do however not change the fact that the market sentiment is bullish as falling US inventory levels and growing geopolitical concerns have led to the recent upturn. The Brent front month contract closed yesterday at 86,25 USD/bbl and also opens Wednesday with falling prices.

Gas



On the European gas market, we saw a small downwards correction yesterday. The market remains overall well-supplied, with storage levels well above seasonal normal at the end of the heating season, but some supply concerns and growing competition from Asia has caused the market to rise lately. Today, we see a largely neutral opening.

Coal



There were no major fluctuations on the European coal market yesterday. The market receives bullish support from Asia but is still quite marginalized in Europe as things stand. The API 2 2025 contract closed the day at 112 USD/t and we could see another day of largely sideways trading today.

Carbon



The European carbon market also retreated yesterday following the quite big price jump Monday. The downturn was likely just a response to the concurrent falling gas prices as focus is still on major speculative players on the market who are closing their short positions. We see a turnaround and rising prices early Wednesday.

Hydro



Both temperatures and precipitation amounts are expected somewhat higher than seasonal average during the next ten days. If the wettest possibilities in the forecasts come true, we could see almost twice as much rain as normal for this time of the year. The hydro balance is still in a deficit although it is shrinking due to the wetter conditions.

Germany



With both the gas and carbon market retreating yesterday, it was no surprise to see a decline on the German power market either. The country's 2025 contract fell around 2,50 EUR/MWh to 81,38 EUR/MWh, still somewhat higher than the two-year lows reached last month. We expect a day with a little less fluctuations today.

Equities



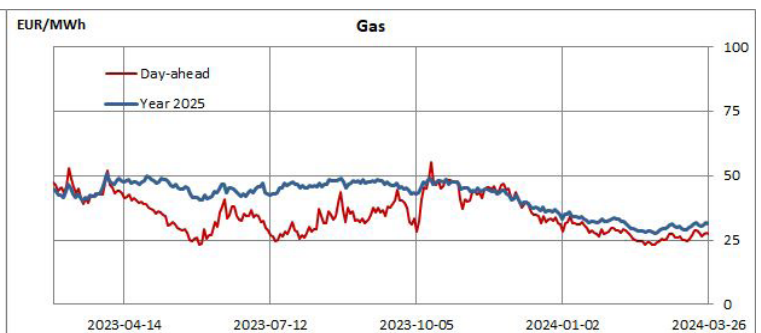
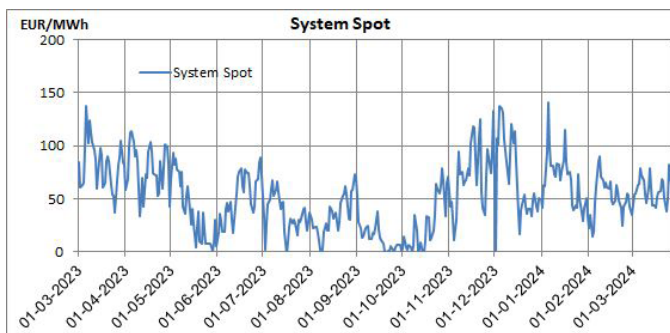
Fluctuations were once again quite limited on the international stock markets yesterday. The European Stoxx600 Index rose modestly followed by minor losses in the US later in the day. The markets are awaiting the US inflation figures which will be published later this week and which are considered important for when the Fed will cut interest rates.

Conclusion



Tuesday, we saw a downturn on the Nordic power market. The forecasts turned somewhat wetter compared to the previous days and the falling prices on the related markets added to the downside. The Q2-24 and 2025 contracts closed the day 36,48 EUR/MWh and 39,40 EUR/MWh respectively, with the former entering delivery next week. Today, we consider sideways trading or modest falls likely

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
25-mar	84,56	84,56	84,30	84,30	91,40	80,36	82,02	April	55,60	56,65	44,65	52,65	47,15	54,90	48,15	Day-ahead	27,21
26-mar	62,30	63,22	62,11	62,59	88,43	60,42	62,57	Q2-24	53,48	50,48	30,85	43,73	35,98	45,48	36,48	Year 2025	31,30
27-mar	70,04	70,04	47,89	50,32	47,89	58,07	56,40	2025	77,40	74,40	34,15	45,30	44,15	49,15	39,40		



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