Morning Report April 23 2024 Energi Danmark*

Expectation

Oil



This week opened with falling prices on the international oil market. The market has been able to avoid the sharp fluctuations that other markets have seen amid the most recent escalation in the Middle East, but growing concerns about the state of the global economy weigh bearishly on the market at the moment. The Brent front month contract ended up falling to 87,00 USD/bbl and opens Tuesday morning more or less neutral.

Gas



Yesterday, we saw a bearish start to the week across the markets, with the gas market once again as the key driver. Prices fell as the market regarded the most recent evens in the Middle East as a de-escalation and removed risk premium. The losses were however nowhere near as noticeable as the increases during the previous weeks but Tuesday opens with an extended downtrend.

Coal



There are no changes to the fundamental situation on the coal market. In Europe, we continue to see low demand and quite ample supply, and the market remains closely coupled to the gas market. The API 2 2025 contract fell to 118,48 USD/t and we consider further losses as likely today, although they could be more modest than yesterday.

Carbon



Sharp price falls on the gas market combined with milder weather forecasts and expectations of falling demand led to a bearish development on the European carbon market yesterday. The benchmark contract fell to 66,03 EUR/t and continues down today. The sentiment could change rapidly however as volatility should remains high.

Hydro



Early Tuesday, the Nordic weather outlook suggests cold weather the next few days, followed by gradually increasing temperatures during the last part of the week. From early next week, the level should be warmer than seasonal average, and precipitation amounts should also increase. The outlook, largely unchanged from yesterday, appears neutral for the Nordic power market.

Germany



The German power market was up for another day of falling prices yesterday. Following the quite sharp downturn Friday, the market continued downwards yesterday amid the removal of risk premium following the recent evens in the Middle East. Mild weather forecasts added to the downside, but the Middle East and the effects on the gas market are by the main topic. We consider further losses as the most likely scenario Tuesday where gas opens down as well.

Equities



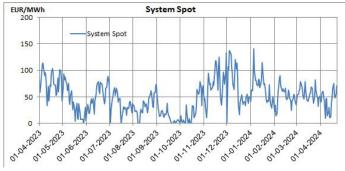
After several days of losses, the European stock markets experienced a long-awaited recovery yesterday. The uptrend continued later in the day in the US. The Asian markets are up early Tuesday as well, but everyone awaits the important key figures later in the week which will be decisive for how this week will go as focus remains on interest rates.

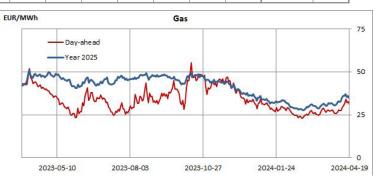
Conclusion

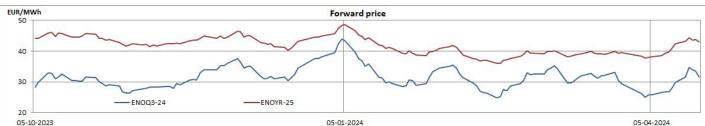


On the Nordic power market, the sentiment was also bearish Monday. Apart from the strong influence from the falling related markets, the Nordic contracts also responded to milder and wetter weather forecasts from next week and on. At the end of the day, the Q3-24 and 2025 contracts had fallen to 30,10 EUR/MWh and 42,55 EUR/MWh. Today, falling prices is once again a likely scenario but we do not expect as big fluctuations as we have seen during the last couple of days.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
21-apr	55,15	64,34	60,74	64,03	60,74	56,58	56,32	May	59,50	61,50	30,00	42,75	32,25	39,50	33,50	Day-ahead	29,79
22-apr	97,98	98,45	95,82	96,29	71,24	71,13	71,22	Q3-24	71,23	67,98	23,90	35,10	36,60	38,10	30,10	Year 2025	33,40
23-apr	97,76	97,76	97,76	97,76	69,39	78,68	71,47	2025	83,55	78,30	37,05	49,05	47,80	51,55	42,55		







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