## Morning Report May 10 2024 Energi Danmark®

## Expectation

Oil



The last couple of days have offered steadily rising prices on the international oil market. The Brent front month contract has climbed to 83,88 USD/bbl, still well below the +90 USD/bbl level from last month however. The recent increases are the result of positive economic signals from China, which supports hopes about an improving global demand. A weakening US dollar compared to other leading currencies added to the upside, and prices continue to rise early Friday.

Gas



On the gas market, fluctuations have been rather small during the last few days. Yesterday was holiday across large parts of Europe and trading activity could remain quite subdued today. The market edged modestly up yesterday as supply from Norway decreased. This managed to overshadow the bearish signals, first and foremost the low demand due to warmer weather and public holiday.

Coal



European coal prices also fell modestly yesterday. The market still faces weak demand due to the low gas prices which makes gas more profitable in the energy mix. Stock levels at the large European coal terminals are lower than they were at the same time last year, as imports from other continents are low due to the poor demand.

Carbon



Despite the weakening fuel markets, we saw an uptrend on the European carbon market both Wednesday and Thursday. With a closing price of 73,49 EUR/t, the market is now close to year-high levels due to bullish technical signals. The market also opens bullishly Friday but the signals from the related markets will be important.

Hydro



Ahead of the weekend, the Nordic weather outlook still looks quite dry, warm and calm. There will be some days with different weather, but overall, precipitation is expected below average during the forthcoming ten days. The outlook remains bullish for the Nordic power market since the hydro balance deficit continues to grow.

Germany



With the quite sharp price climbs on the carbon market as the most important driver, the German power market increased in both Wednesday's and Thursday's session. The country's 2025 contract has now climbed to 95,10 EUR/t and we consider further increases likely today as the carbon market is heading to year-high levels.

Equities



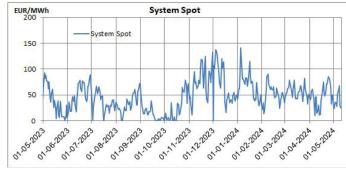
We are in the middle of a very bullish period on the international stock markets. The European markets have been climbing steadily the whole week now, and the leading Stoxx600 Index closed Thursday at record highs following another increase of 0,3 %. We expect limited activity today where a lot of investors take an extra day off.

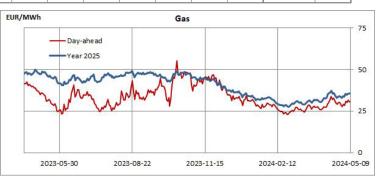
Conclusion



Yesterday, the Nordic power market was closed due to public holiday. Wednesday, we saw the first bearish session in a long time, with most futures contracts retreating from the year high levels they had reached the previous sessions. Focus remains on the quite dry weather forecasts and the growing deficit on the hydro balance. We consider a return to the bullish sentiment as the most likely scenario today where the forecasts remain dry and the related markets open bullishly as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
08-maj	89,79	89,79	81,42	81,42	136,24	72,09	67,88	June	66,25	67,05	26,13	49,03	31,30	39,50	32,00	Day-ahead	30,64
09-maj	58,84	58,97	16,68	18,15	26,53	36,56	29,82	Q3-24	73,25	70,50	28,00	38,52	42,25	43,00	35,50	Year 2025	35,75
10-maj	70,55	72,89	14,04	50,79	5,70	41,25	25,21	2025	84,78	79,78	39,03	51,94	49,43	53,78	44,78		







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