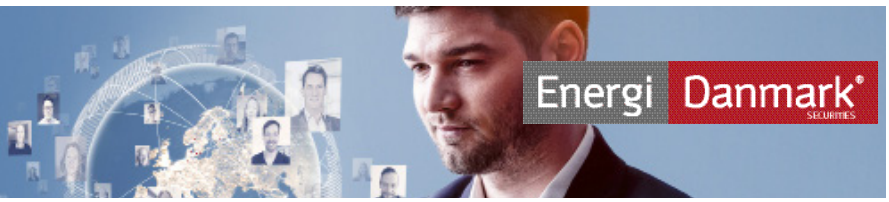
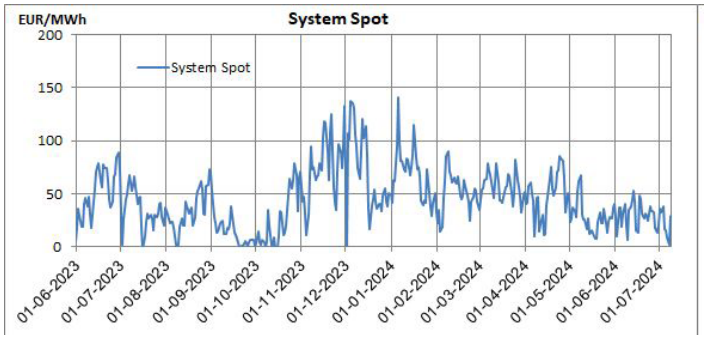
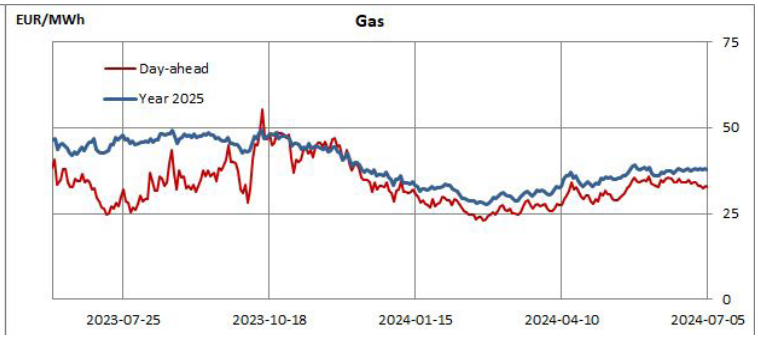
Morning Report July 8 2024



	Expectation	
Oil	↘	Following some steady increases during the previous sessions, the international oil market edged down Friday. The market has recently been rising due to expectations of growing summer demand and geopolitical tensions, but we see falling prices early Monday. Focus today is on the upcoming hurricane in the Gulf of Mexico, which has the potential to disturb oil production in the area significantly, and fluctuations in the coming days could likely depend on how much damage the hurricane ends up making.
Gas	↗	European gas prices have been falling slightly recently, but the market avoided further losses Friday. Instead, the most traded futures contracts on the TTF gas hub were largely neutral. The main story is still the fact that Europe is well-supplied, and that the summer has so far not offered any major heat-waves to trigger an increase in demand. Some supply concerns offset the bearish sentiment however, and we do see a minor uptick Monday morning.
Coal	↗	On the coal market, we saw a downturn ahead of the weekend, with the API 2 2025 contract losing the gains it had seen during the previous session. It closed the day at 114 USD/t. The market has fallen during the last month, both in response to the bearish gas and due to a well-supplied global coal market and low demand in Europe.
Carbon	↗	There were no major fluctuations on the carbon market Friday, where the benchmark contract closed just above the 70 EUR/t threshold. The outcome of Sunday's election in France, which did not end with the expected victory to the right-wing RN party, could trigger rising prices Monday, with high spot prices in Germany adding to the upside.
Hydro	↘	Over the weekend, we have received further wet weather forecasts for the Nordic area. Precipitation amounts are in general expected to remain above average during the next few weeks. Following a cold period, temperatures could rise later this week, but with high wind output, the outlook still appears bearish for the Nordic power market.
Germany	↗	Friday, the German power market traded sideways for a second straight session as mixed signals managed to keep the market largely unchanged. The country's 2025 contract closed at 95,40 EUR/MWh, but we expect rising prices Monday amid a surprisingly high spot price for Monday and rising gas and carbon markets early in the day.
Equities	→	Ahead of the weekend, we saw a hesitant mood on the European stock markets. Everyone awaited the outcome of the French election Sunday. The election ended without the expected right-wing victory, but also with the possibility of several months without a functioning government since no wing received absolute majority. The markets trade sideways early Monday.
Conclusion	→	We did not see any change to the bearish sentiment on the Nordic power market Friday. The long-lasting downtrend continued, as focus remained on the wet weather forecasts and the continuously narrowing deficit on the hydro balance. The Q4-24 and 2025 contracts closed the day at 45,63 EUR/MWh and 41,33 EUR/MWh respectively. The weather forecasts are still wet early Monday, but rising prices on related markets could prevent the market from edging further down.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
06-jul	15,63	15,35	5,66	5,66	1,34	10,99	8,49	August	69,00	70,38	25,60	37,50	40,00	39,50	31,75	Day-ahead	32,59
07-jul	21,44	22,00	-4,43	14,82	-5,03	7,73	2,51	Q4-23	77,88	76,88	40,25	50,63	52,01	56,03	45,63	Year 2025	37,73
08-jul	87,84	88,38	23,56	41,19	1,19	35,52	29,48	2025	81,21	77,96	36,03	47,73	47,48	51,08	41,33		





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