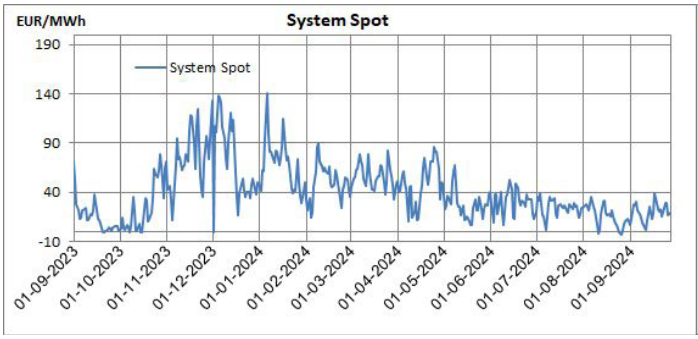
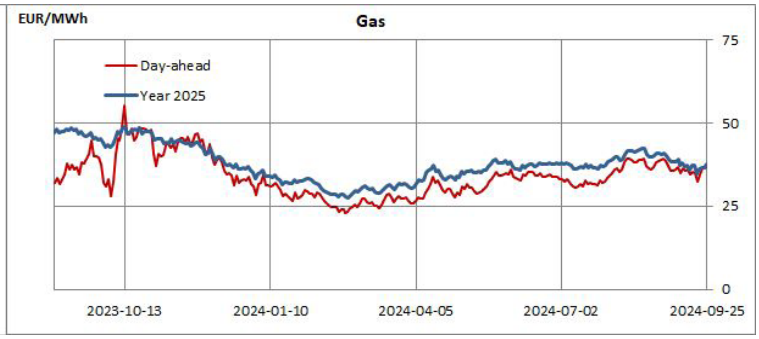
Morning Report September 26 2024

	Expectation	
Oil	↘	Oil prices fell in Wednesday's trading and continue down early Thursday. The market is responding bearishly to reports that top OPEC producer Saudi Arabia will start adjusting their price target and allow more oil to enter the market. This overshadows the current bullish signals, such as rising tensions between Israel and Hizbollah as well as the Chinese government's decision to add extra stimulus to the country's economy which still has not refound momentum following the corona virus pandemic.
Gas	→	Yesterday, we returned to the bullish sentiment on the European gas market. Apart from some colder weather forecasts for the Northern and Western parts of Europe, an unplanned outage to the Norwegian production led to rising prices. The first signals today point towards a downwards correction but if the outage in Norway is prolonged, things could change.
Coal	→	On the coal market, prices rose in line with gas yesterday. The sentiment was overall bullish as the weather forecasts show rapidly falling temperatures in Northern Europe during the coming week, something which should lead to rising demand. The API 2 2025 contract rose to 119,90 USD/t and will continue to track gas Thursday.
Carbon	→	Even though a weak economic outlook – and ensuing low demand expectations - continues to weigh on the European carbon market, prices rose in yesterday's session. The benchmark contract climbed along with the bullish gas market, settling at 65,25 EUR/t. Today, we see sideways trading early in the day as the market awaits signals from gas.
Hydro	↗	Looking at the next ten days, precipitation amounts are in general not expected far from what is normal for this time of the year. Temperatures should meanwhile stay around or just below average for most of the period and wind output is expected to decrease next week. Wind output is also expected to fall which affects the short end of the curve on the Nordic power market today.
Germany	→	Following an initial calm start to the day, the German power market started rising in the afternoon of Wednesday's trading. The weather forecasts now point towards falling temperatures during the coming week and the ensuing expected uptick in gas demand is of course a bullish signal. The country's 2025 contract rose to 86,40 EUR/MWh but corrects down a bit early Thursday.
Equities	↗	Wednesday, the bullish run on the stock markets was put at least temporarily on hold. The market might have felt the need for a pause to the increases, but the Asian markets open bullishly again today. Focus will remain on the US Fed, where we will see speeches from leading members today which could offer indications about potential further interest rate cuts.
Conclusion	↗	In contrast to the increases on the related markets yesterday, the Nordic power market did not see any noticeable fluctuations. Closing at 39,10 EUR/MWh and 38,35 EUR/MWh respectively, both the Q4-24 and 2025 contracts closed little changed compared to the previous close. Thursday morning however, we see a noticeable uptick in response to late increases in Germany yesterday and cooler, calmer weather forecasts for the coming weeks.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
24-sep	91,77	91,77	17,92	17,92	23,57	19,51	29,35	October	65,35	68,00	22,10	31,87	43,60	31,60	25,85	Day-ahead	37,40
25-sep	56,04	43,30	7,75	7,75	8,12	18,70	16,96	Q4-24	72,85	71,10	35,20	46,85	51,60	48,10	39,10	Year 2025	37,51
26-sep	54,06	49,63	11,82	11,82	24,16	20,52	18,92	2025	75,35	74,85	34,62	47,10	51,60	46,85	38,35		





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