





Morning Report September 30 2024


Expectation


- Oil** 


On the oil market, we saw a modest rebound Friday following a couple of very bearish previous sessions. The market needed to recover following the news that Saudi Arabia might be looking to increase production in the coming months. The Brent front month contract climbed to 71,98 USD/bbl and continues upwards Monday morning following the eventful weekend in the Middle East and especially the assassination in Beirut of Hezbollah's top commander.
- Gas** 


European gas prices continued to rise in Friday's trading, and the market edges further up Monday morning as well. After Israel's assassination of Hezbollah's leader Friday, the market now once again has eyes on Iran. What retaliation – if any – has the country planned following the death of one of their main allies, and could it have an effect on oil and gas production in the area? The market will keep focus on this throughout the coming week.
- Coal** 

We still see no major demand boost on the European coal market but with temperatures falling and demand picking up, there is a chance that buying interest on the market will increase. Prices rose Friday along with gas and as gas also rallies Monday morning, everything points towards a bullish development on the coal market as well today.
- Carbon** 

After several bullish sessions, the European carbon market edged modestly down Friday. There is plenty of bullish signals on the market however, which should lead to a rebound Monday, as the geopolitical concerns and the rising gas market weighs on a market which also faces increased demand right now amid compliance buying.
- Hydro** 

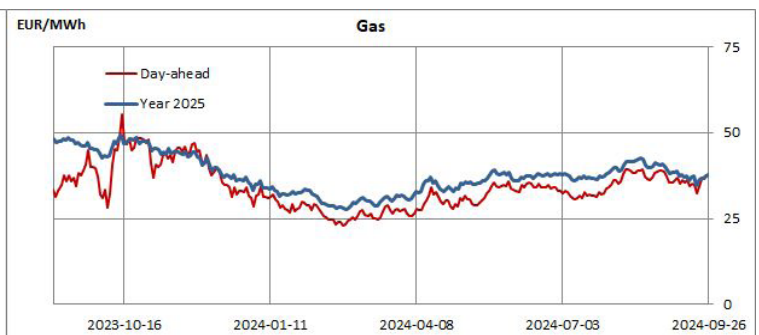
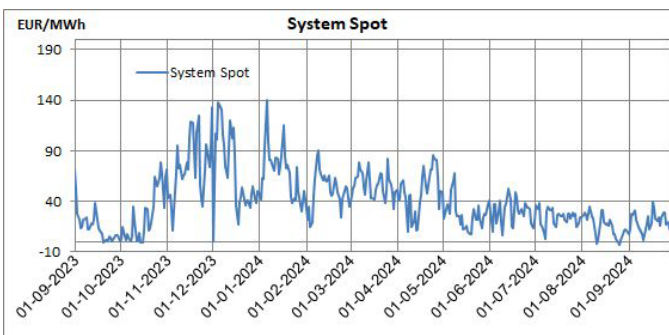
The Nordic weather forecasts still have a dominant high-pressure for the coming time. Precipitation and wind output are both expected below average during the coming two weeks, which should keep spot prices high and cause the surplus on the hydro balance to decrease. The outlook appears bullish for the Nordic power market in terms of price movements.
- Germany** 

German power prices also rose in Friday's trading, following the bullish trend triggered by the events in the Middle East. The country's 2025 contract rose to 87,69 EUR/MWh. Given that gas and carbon is rising again Monday morning, the German power market should be up for another bullish session, but it is worth mentioning that prices are still noticeably lower than they were during summer where the contract was as high as 100 EUR/MWh.
- Equities** 

Increasing geopolitical tensions will also have an effect on the stock markets today. After another bullish session Friday, where the Stoxx600 Index was up 0,47 %, the market now appears more cautious today, and the first signals from the Asian markets are somewhat bearish. This could spread to the European markets later today.
- Conclusion** 

Friday, the Nordic power market continued the uptrend on both the short and the long end of the curve. The combination of calm and dry weather forecasts for the coming weeks and geopolitical uncertainties that drive gas and German power up are of course the main reasons. The Nordic Q4-24 and 2025 contracts closed the day at 42,20 EUR/MWh and 39,85 EUR/MWh respectively. Today, the first signals point largely sideways but further increases look likely as gas and German power also continue upwards.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
28-sep	16,84	11,04	6,07	6,07	42,10	17,13	11,56	October	66,55	70,40	24,30	35,80	44,30	34,05	29,30	Day-ahead	38,38
29-sep	57,09	49,85	6,29	6,29	5,29	30,09	15,82	Q4-24	75,20	74,58	37,45	49,95	52,70	51,20	42,20	Year 2025	37,95
30-sep	26,89	24,52	21,88	21,88	75,53	26,72	21,85	2025	77,23	76,38	35,85	48,60	52,35	48,85	39,85		



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