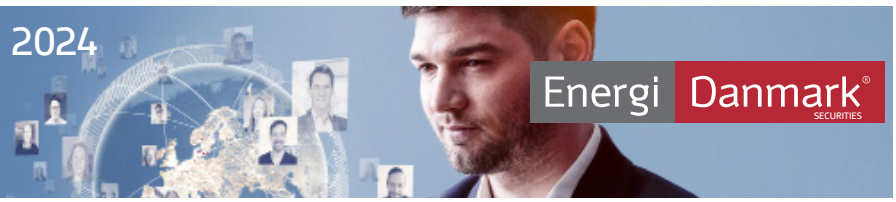
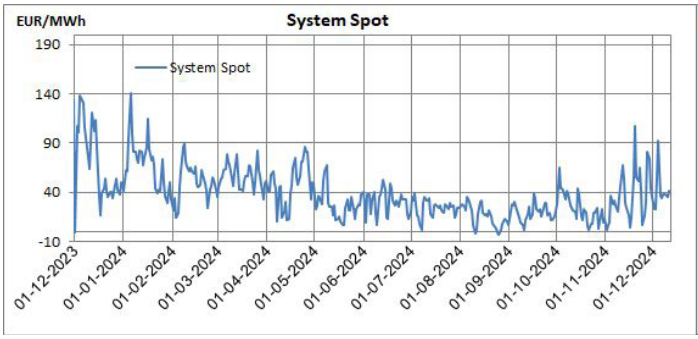
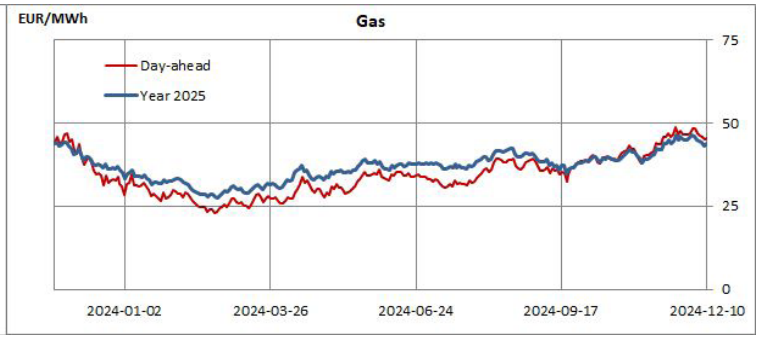
Morning Report December 11 2024



	Expectation	
Oil	→	Yesterday, the oil market stabilized following the increases during the previous session. The major news from the previous day about the Chinese government's decision to offer further stimulus into the country's economy was initially met with increases, but there is some uncertainty as to how big of an effect it will have on the oil market. The Brent front month contract closed at 72,19 USD/bbl yesterday and continues sideways Wednesday morning.
Gas	↘	Early Tuesday, the downtrend continued on the gas market, but news about outages in the Norwegian production and overall supply concerns led to a change in sentiment as the day went on. At the end of the session, the most traded contracts had climbed, but we could see a bearish development again today as the European weather forecasts remain overall mild for the week leading up to Christmas.
Coal	↘	Following an unprecedented 12 straight sessions of falling prices on the European coal market, the downtrend was broken yesterday. The API 2 2025 contract marginally to 114,14 USD/t, but the move was merely a correction due to the rising gas prices and should not be seen as a sign of any improving sentiment for coal in Europe.
Carbon	↘	The upwards correction on the gas market also offered bullish support to the carbon market, where volatility is in general high ahead of the upcoming expiry of the benchmark contract next week. It closed Tuesday at 68,18 EUR/t, around 2 EUR/t higher than the previous close, and we expect the high volatility to continue the rest of the week.
Hydro	→	Early Wednesday, we see a confirmation of yesterday's Nordic weather outlook, with dry and cool conditions for the rest of this week followed by milder and wetter weather in week 51. In the last days leading up to Christmas, it appears as if the cold weather could return. The outlook, largely unchanged from yesterday, appears neutral for the Nordic power market.
Germany	↘	German power prices fell early in Tuesday's session, but the late recovery on gas and carbon helped the German power market rebound as well. At the end of the day, the country's 2025 contract rose to 94,70 EUR/MWh, but we consider a return to the bearish sentiment likely today where gas also opens with falling prices.
Equities	→	We saw modest losses on both the European and US stock markets yesterday and the first signals today point towards a largely neutral start. In general, we see a hesitant sentiment as everyone is awaiting the US inflation figures, the main event of the week, with could have a big influence on the US Fed's decision on lowering interest rates further.
Conclusion	↘	There was no end to the downtrend on the Nordic power market yesterday. The most traded system futures have started falling sharply as they are getting closer to delivery and because of quite wet weather forecasts for the coming weeks. At the end of the day, the Q1-25 and 2025 system futures closed at 50,60 EUR/MWh and 34,90 EUR/MWh respectively, and we consider further price falls as the most likely scenario in Wednesday's session as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
09-dec	77,35	73,14	66,81	69,02	57,72	65,25	37,28	January	93,90	98,40	67,65	67,90	72,90	66,45	51,65	Day-ahead	45,59
10-dec	148,93	145,74	83,87	141,07	2,21	114,58	35,36	Q1-25	88,60	82,35	59,51	65,10	73,75	65,60	50,60	Year 2025	43,75
11-dec	255,54	266,56	197,43	227,76	2,46	180,19	41,49	2025	83,15	82,03	35,80	45,70	47,10	45,15	34,90		





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