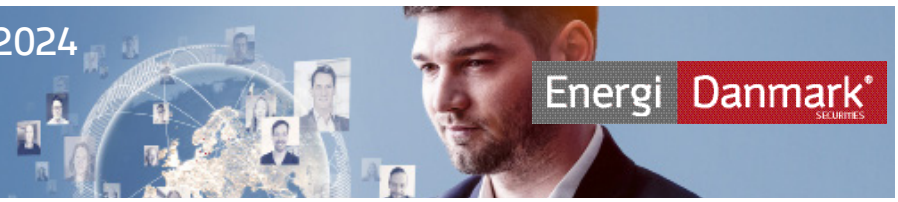
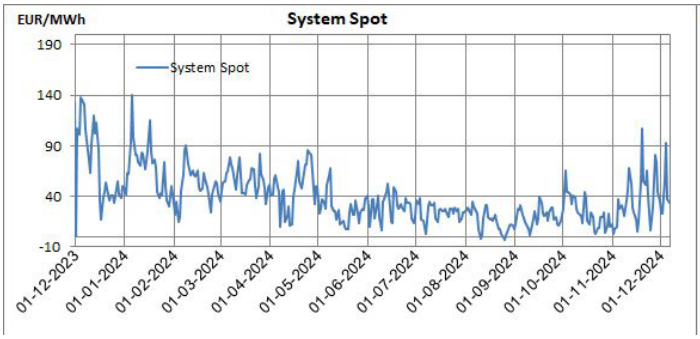
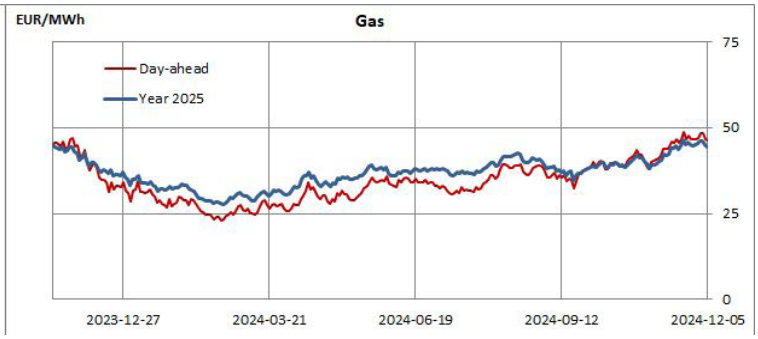
Morning Report December 6 2024



	Expectation	
Oil	→	The oil market moved both up and down during Thursday's session but at the end of the day, the market ended up closing almost flat. The main topic was today's OPEC+ summit, where the production strategy for next year will be discussed and where the organization will have to make a decision about the output increases which have been postponed two times already since they were agreed upon this summer. Rumors about potential agreements will be decisive today where all focus will of course remain on the summit.
Gas	↘	After an initial bullish opening to the day, the European gas market changed direction and prices ended up falling once again. This despite the concerns about low inventory levels after a month of high demand in November. Furthermore, temperatures are set to fall in Northern and Central Europe next week, something which will lead to increasing demand. Nonetheless, prices kept on falling yesterday, and the downtrend continues Friday morning.
Coal	↘	European coal prices have now been falling for nothing less than 10 straight sessions. This means that the increases the market experienced during autumn where demand increased due to the weather conditions have now completely been wiped out again. There is no reason to think that the market should not remain correlated with gas.
Carbon	→	There is not a lot of activity right now on the European carbon market, where technical trading is dominating ahead of the expiry of the benchmark contract soon. The contract failed to break above 70 EUR/t in late November and has now been settling below this point throughout this week. We consider it very likely that the sideways trend will continue today.
Hydro	→	Ahead of the weekend, the Nordic weather forecasts look rather similar to yesterday, with temperatures expected to fall below average during the weekend, staying marginally below normal throughout next week. We see signs of slightly more wind in the outlook but in general, it appears neutral for the Nordic power market.
Germany	↘	Yesterday, the German power market initially edged up before falling along with gas later in the session. The German weather forecasts for next week look a bit milder than they did earlier this week, although temperatures are still expected slightly below average. The country's 2025 contract fell to 95,26 EUR/MWh and today,
Equities	→	Despite a lot of concerns about governmental crises in both France and South Africa the last few days, the European stock markets continued upwards yesterday. The US markets were more negative later in the day however. All focus today will of course be on the US job report which will be published during the afternoon European time.
Conclusion	↘	Thursday, the Nordic power market initially edged up due to somewhat colder signals from the weather forecasts. The sentiment did not last however and at the end of the day, the most traded system futures closed more or less where they had started, with Q1-25 and 2025 closing at 54,45 EUR/MWh and 37,00 EUR/MWh respectively. Today, we see the related markets continue down and since the forecasts look largely unchanged the Nordic system futures are also likely to fall further.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
04-dec	177,82	170,62	143,01	151,52	128,81	101,04	92,55	January	97,88	100,05	68,25	71,00	74,00	69,50	55,50	Day-ahead	46,09
05-dec	76,04	79,88	59,99	70,28	54,53	56,97	37,09	Q1-25	91,08	87,45	62,70	68,95	76,45	68,20	54,45	Year 2025	44,45
06-dec	86,34	85,48	39,54	54,12	19,98	66,89	34,01	2025	84,38	83,50	36,90	47,80	48,60	46,50	37,00		





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