

Expectation

- Oil**

Tuesday, the international oil market continued upwards, recovering further despite the ongoing concerns about the absence of a new debt ceiling in the US and fears about fading global growth. Saudi Arabia has indicated, that OPEC might start looking at new production cuts amid the price falls earlier this spring, and since OPEC are known to make such moves, the rumors are bullish for the market, which continues to climb early in Wednesday's session.
- Gas**

Day-ahead gas prices on the leading European TTF hub increased modestly yesterday, but remain close to the year-lows from last week. The front-month contract fell slightly, amid an absence of any new signals, as the market remains overall well-supplied and we could see completely filled storages ahead of the upcoming winter, as we did last year.
- Coal**

The overall fundamental situation on the coal and gas market remains unchanged, with strong supply and limited demand continuing to drive down the market. Stock levels at the large European coal terminals are at the highest level in 8 months, as high competition from gas has led to a decline in coal consumption. We expect the market to stabilize today, where gas rises modestly.
- Carbon**

For a second straight day, the European carbon market retreated yesterday. The downturn has been attributed to higher auction supply, as the benchmark contract, the EUA Dec-23, fell to 85,50 EUR/t. The losses on the surrounding markets added to the downside, with the limited coal consumption having a big bearish impact on carbon as well. We do see an initial recovery Wednesday however.
- Hydro**

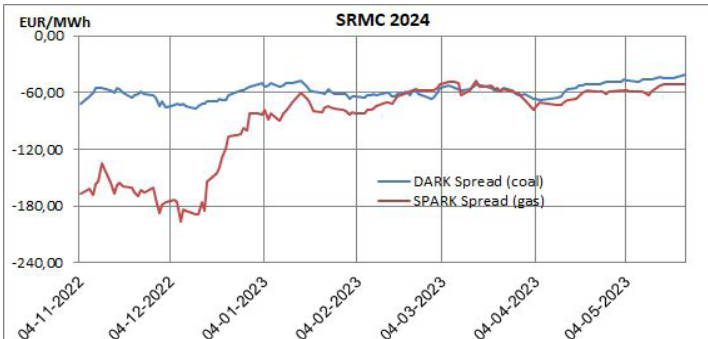
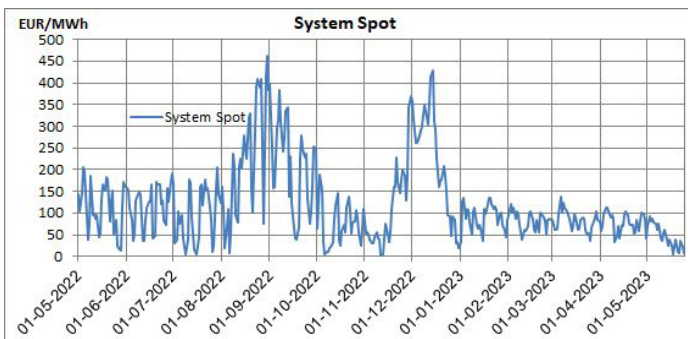
Early Wednesday, we see a confirmation of yesterday's Nordic weather outlook, with quite mild and wet weather during the coming week, before a high will gradually cause warmer and drier conditions during next week. The hydro balance remains in a big deficit, which is a bullish signal for the Nordic power market right now.
- Germany**

As both gas, coal and carbon remained bearish yesterday, the German power market continued its downtrend as well. The country's 2024 contract fell to 134,51 EUR/MWh, down around 1,50 EUR/MWh from Monday, as the market is waiting for any noticeable changes to the fundamental situation. We see a modest uptick early Wednesday where gas and carbon also climbs.
- Equities**

Tuesday, the main stock indexes in both Europe and the US edged down by around 1 %. The big topic is of course still the debt ceiling negotiations in the US congress, which appears to be making progress, but with the parties still some way apart from each other. The first signs from the Asian markets early Wednesday are also bearish.
- Conclusion**

On a day with wetter weather forecasts and falling prices across almost all related markets, the Nordic power market edged down as well Tuesday. The Q2-23 and 2024 contracts fell 56,00 EUR/MWh, and 69,90 EUR/MWh respectively, with the high hydrological deficit and the warm forecasts for June limiting the downside to some extent. Today, we could see an increase as gas, carbon and German power also rises, while the hydro balance remains in a big deficit.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
22-maj	86,73	86,30	34,77	86,30	22,93	71,44	37,14	June	74,75	72,63	33,37	54,25	29,75	65,75	39,75
23-maj	58,20	68,50	31,54	68,50	9,83	53,62	21,38	Q3-23	89,75	89,00	51,50	68,25	56,00	87,00	56,00
24-maj	92,29	98,47	15,59	98,47	0,00	69,75	8,20	2024	118,78	117,15	65,70	82,15	60,65	97,90	69,90



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