

Expectation

- Oil** ➔

Following a couple of bullish days, the international oil market changed direction again yesterday, and started falling. Focus is still on OPEC and Russia, who are coming with conflicting statements about the prospect of further output cuts, something which at least indicates that the parties disagree about the forthcoming policy. The Brent front month contract fell to 76,26 USD/bbl and moves largely sideways early Friday as the market also keeps an eye on the US debt ceiling negotiations.
- Gas** ⬇

Currently, there is no stop to the price falls on the European gas market, with today's spot as well as the front month contract at the TTF gas hub now down to only 25 EUR/MWh. At some point, we will reach a level so low that it will cause LNG suppliers to send their gas to other places instead of Europe, which will lead to the end of the price falls, but when we reach that point is still difficult to say. Until then, we expect the downtrend to continue.
- Coal** ⬇

Yesterday, the API 2 2024 coal contract dropped below 100 USD/t for the first time in one and a half year, closing the day at 98,35 EUR/t. As long as gas continues the steady decline, coal will likely follow, as demand is weak and stock levels high across the continent. There are no signs from Asia either that demand is about to ramp up noticeably there.
- Carbon** ⬇

European carbon prices keep on falling steadily along with the gas and coal markets. Yesterday, the benchmark EUA Dec-23 contract fell for a sixth straight day, closing at 82,64 EUR/t, the lowest level in around five months. Auction supply is rising, but we expect that the development on the gas market will be decisive in the coming time as well.
- Hydro** ➔

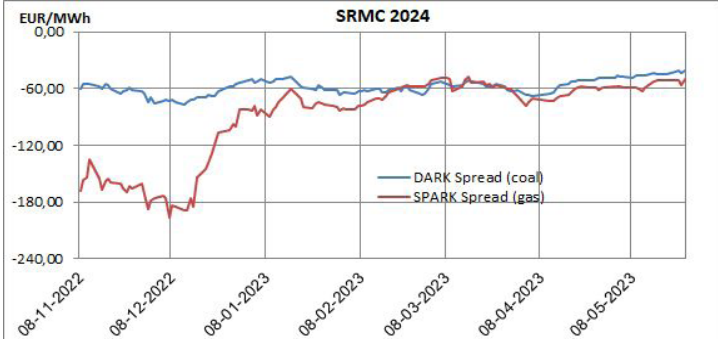
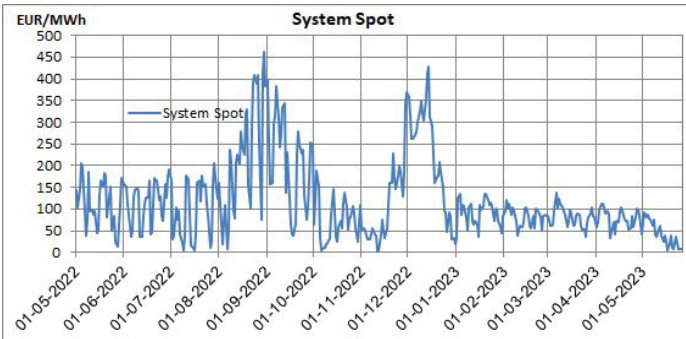
Both temperatures and precipitation amounts are expected around average during the forthcoming ten days. The warm and dry start to June has been replaced in the forecasts by milder conditions, and the deficit on the hydro balance will likely not grow as much as previously anticipated. It is still expected at -12 TWh in two weeks' time however.
- Germany** ⬇

On another day with falling prices across the fuel markets and on the carbon market, the German power market edged further down as well. The country's 2024 contract fell to a 13-month low of 127,90 EUR/MWh, with disappointing key figures showing recession-like signals in the country adding to the downside. We expect another downtick today, as gas and coal continues to slide.
- Equities** ➔

Despite another day without an agreement in the US congress on a new debt ceiling, the stock markets managed to recover at least partly yesterday. The most recent signals from the negotiations are, that progress is being made, and the market is getting increasingly confident that a state bankruptcy can be avoided. The markets open largely sideways early Friday.
- Conclusion** ⬇

Thursday, the rapid decline continued on the Nordic power market, where a lot of different factors support the bearish sentiment. Very low spot prices due to snow melting, milder and wetter weather forecasts and falling prices across all related markets led to the negative development, with the Q3-23 and 2024 contracts closing at 45,75 EUR/MWh and 64,65 EUR/MWh respectively. Today, another bearish session looks very likely as fuels and German power continue down.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
24-maj	92,29	98,47	15,59	98,47	0,00	69,75	8,20	June	70,38	67,00	26,50	46,00	24,00	58,50	32,50
25-maj	50,71	55,83	18,97	55,83	1,38	48,87	7,50	Q3-23	84,25	82,75	41,25	59,25	45,75	76,75	45,75
26-maj	59,25	52,82	14,68	52,72	7,01	47,32	8,18	2024	112,65	111,65	60,35	78,40	55,90	92,65	64,65



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