

## Expectation

- Oil**

Tuesday, we saw a sharp decline on the international oil market, with the Brent front month contract falling almost 4 USD/bbl, equaling around 5 %, before closing at 73,54 USD/bbl. This despite optimism about a new US debt ceiling, but weak economic data from China confirmed the concerns, that the country's growth is stalling following the post-corona virus reopening. The market has managed to find foothold early Wednesday and trades largely sideways.
- Gas**

On the European gas market, we saw a moderate upturn yesterday, but prices are still lingering around the lowest level of the year so far. Despite yesterday's increase, there are no signs that the fundamental situation is changing noticeably, so we consider it very likely that the market will retreat again sometime in the nearest future.
- Coal**

European coal prices continue to fall steadily, with the API 2 2024 contract extending the 16-low levels almost every day. Yesterday, the contract fell to 92,08 USD/t, and has now almost halved since the beginning of the year amid continuously low demand due to the high competition from gas, as well as an overall ample supply picture.
- Carbon**

There were further losses on the European carbon market yesterday, and with a closing price of 80,52 EUR/t, there is a chance we will see the contract drop below 80 EUR/t for the first time since January in the near future. With falling fuel prices, low demand and rising auction supply, we could very well see the market retreat further today.
- Hydro**

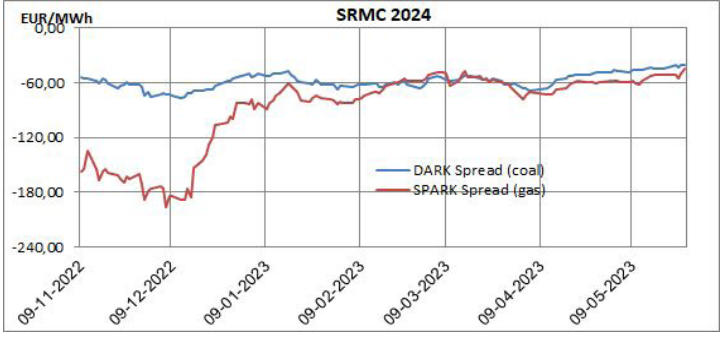
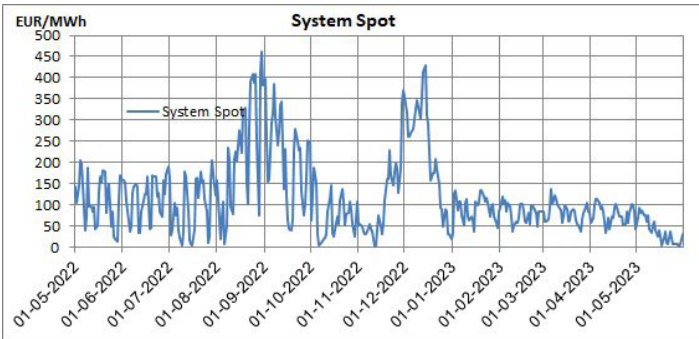
Expected precipitation in the Nordic area during the forthcoming 10 days is far below seasonal average, equaling less than 50 % of normal. The deficit on the hydro balance is therefore set to grow, while temperatures are set to increase to above average towards the end of the week. The outlook, largely unchanged from yesterday, is neutral for the Nordic power market.
- Germany**

With further losses on the fuel and carbon markets, it was no surprise to see the German power market adjust further down as well yesterday. The country's 2024 contract was down another 2 EUR/MWh and closed at 122,47 EUR/MWh, amid persistently bearish fundamentals. There is no reason to think we will not fall even further today.
- Equities**

Yesterday, we saw falling stock markets and falling interest rates, although a strong tech sector managed to keep a hand under the markets. This morning, the Asian markets are bearish due to disappointing key figures from China, and we expect a negative opening on the European markets as well early Wednesday, where we will also keep an eye on the upcoming debt ceiling vote in the US congress.
- Conclusion**

The short end of the Nordic power market opened the week with rising prices due to the drier weather forecasts, which the Nordic area had received over the weekend. The Q3-23 contract therefore rose to 45,75 EUR/MWh, while the 2024 contract continued down along with the fuel and carbon markets as well as the German power market. It closed at 64,00 EUR/MWh. Today, we expect the bearish sentiment to return to the short end as well.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	STO	MAL	HEL	OSL	SYS
29-maj	20,68	38,02	16,45	29,39	5,52	34,71	8,31	June	67,58	69,51	31,35	50,43	27,83	62,33	36,33
30-maj	87,55	87,55	50,77	86,32	34,70	59,22	30,16	Q3-23	79,75	79,75	40,80	56,64	45,75	76,75	45,75
31-maj	56,34	56,23	28,41	56,23	-0,77	47,59	5,92	2024	107,75	106,75	59,54	77,01	55,25	92,00	64,00



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