Morning Report January 22 2024

	Expectation	
Oil	↘	Last week ended with a modest downwards adjustment on the international oil market. The market continues to weigh the concerns about a slowing global economy against the supply disruptions and the concerns surrounding the political situation in the Middle East. The hopes of interest rate cuts are fading a bit and this is also a bearish sign for the oil market. The Brent front month contract closed Friday at 78,56 USD/bbl and continues down Monday.
Gas	↘	Ahead of the weekend, we saw a modest price climb on the European gas market, but the sentiment has turned bearish again early Monday, where TTF front month gas is falling to the lowest level since 2021. The fundamental situation is largely unchanged and even though we can see short upwards adjustments, the strong supply situation will keep the market under pressure.
Coal	↘	Ample supply is also the main topic on the coal market, where prices fell further Friday despite the modest increases on the coal market. We do however expect the market to remain relatively closely linked to the gas market in the nearest future which should mean falling prices in Monday's session.
Carbon	↘	Following a rare day of rising prices Friday, the downtrend appears to resume Monday morning on the European carbon market. The market remains under pressure due to the continuously falling fuel prices and low demand due to the diminished role of coal in the European energy mix. Prices are now around two-year lows.
Hydro	↘	Compared to Friday, today's weather outlook looks windier and also somewhat milder in both the Nordic area and Germany. Temperatures are expected almost consistently above average during the next couple of weeks, a clear contrast to the previous weeks. The outlook is therefore rather bearish for the Nordic power market Monday morning.
Germany	↘	On a day with rising gas and carbon prices, the German power market edged modestly up as well Friday. The country's 2025 contract was up around 1 EUR/MWh and closed at 81 EUR/MWh. Monday, the market drops along with gas and front-year prices are falling below 80 EUR/MWh for the first time in more than two years, as the weather is set to turn significantly milder in the country from here on.
Equities	↘	A rather chaotic week on the stock markets ended with another bearish session in Europe Friday. The Stoxx600 Index was down 0,26 % as a result of the ongoing concerns about the global interest rates. We expect a negative sentiment early Monday as well, as disappointing key figures from China are once again a point of interest.
Conclusion	↘	Friday, we saw another day of falling Nordic power prices. This despite the rising prices on the related markets, but the mild weather forecasts weighed heavier, as this week and the beginning of February looks much milder than the weeks we have just been through. The Q2-24 and 2025 contracts fell to 35,50 EUR/MWh and 40,80 EUR/MWh respectively, and we consider further losses as the most likely scenario today, where gas and German power also returns to the downtrend.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
20-jan	73,22	74,28	74,35	74,35	83,50	74,41	67,70	February	70,30	73,50	57,00	61,65	75,50	72,00	59,50	Day-ahead	27,84
21-jan	49,96	49,53	40,63	40,63	35,31	56,12	43,88	Q2-24	60,50	56,75	29,50	40,75	40,25	47,50	35,50	Year 2025	32,31
22-jan	47,99	45,24	26,78	26,78	26,78	53,87	38,78	2025	75,80	75,80	35,80	47,80	44,30	53,30	40,80