

Expectation

Oil



More than two weeks after Israel's assassination of a senior Hamas leader in Iran, the markets are still awaiting which – if any – retaliation Iran is planning in response to the event. This means the markets continues to price in risk premium, with oil particularly rising sharply over the last time. Yesterday, we saw another uptick, with the Brent front month contract up more than 2 USD/bbl, closing at 82,30 USD/bbl. The topic will continue to dominate today.

Gas



This week opened like last week ended, with rising prices on the European gas market. Following an initial downturn early in the day, the market returned to the bullish sentiment, with focus still on geopolitical concerns. Apart from the situation surrounding Israel and Iran, the market also has eyes on the Russia–Ukraine war, where recent Ukrainian attacks on Russian ground have caused concerns that the Russian gas pipeline to Southern Europe could be damaged. We expect high volatility in the coming time.

Coal



Yesterday, the coal market rose along with gas. Few people are paying attention to the situation on the coal market itself, as it is the development on related markets and first and foremost gas, which are currently decisive for the movements. The API 2 2025 contract closed at 128,92 USD/t and we expect the correlation with gas to continue. The markets retreat early Tuesday, but another turnaround cannot be ruled out today either.

Carbon



A price jump of more than 2,50 EUR/t struck the European carbon market yesterday, and this means that the market is now at the highest price level in around three months. As long as the gas market remains as volatile as the case is, carbon will also face sudden movements as demand is set to pick up in the coming weeks following summer holiday season.

Hydro



Expected precipitation in the Nordic area during the next two weeks is around 10 % higher than seasonal average, and looking further ahead, the outlook suggests even wetter conditions at the end of the month. This is bearish for the Nordic power market, with wind output also set to increase as unsettled conditions start dominating.

Germany



On the German power market, we saw an early downwards correction yesterday, but the sentiment did not last and prices started rising along with gas later in the day. As the market closed, the country's 2025 contract had reached 98,86 EUR/MWh. The market remains very nervous given the high German dependence on gas and we will continue to see a high degree of volatility in the coming sessions.

Equities



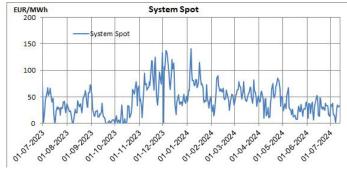
Risk appetite was limited on the financial markets Monday, as everyone seems to hold their breath and await the big event of the week, the US key figures on consumer prices. Both the European and the US markets closed almost flat and we expect the hesitant sentiment to continue today, as the geopolitical concerns also weigh on the markets.

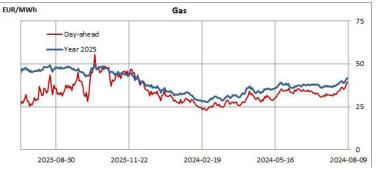
Conclusion



The Nordic power market opened this week with rising prices, as the very bullish sentiment on the gas market as well as the German power market overshadows the wet weather forecasts that we currently see for the Nordic area. This means that the Q4-24 and 2025 contracts closed the day at 45,90 EUR/MWh and 42,70 EUR/MWh respectively. The market appears to retreat a bit early Tuesday, but we could easily see another turnaround as the high volatility on related markets also cause a risk for price hikes on the Nordic market.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
11-aug	37,87	28,59	-6,87	-6,87	-1,04	-1,78	1,46	September	85,50	85,50	23,50	38,50	43,00	34,25	27,50	Day-ahead	38,81
12-aug	92,06	92,06	12,00	46,19	13,89	12,29	17,65	Q4-24	85,15	82,90	41,65	53,65	54,90	55,90	45,90	Year 2025	41,59
13-aug	91,19	92,43	20,14	40,93	21,40	20,14	30,73	2025	86,58	84,68	38,60	49,10	50,25	52,45	42,70		







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