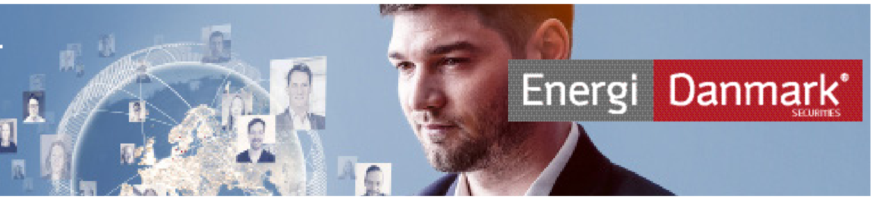
Morning Report August 8 2024



	Expectation	
Oil	→	Recently, the international oil market has been falling along with some quite sharp losses on the financial markets. Yesterday however, we saw a recovery following a rebound on first and foremost the US stock markets during the previous day. The sentiment is still nervous however, as the oil market would feel a new global recession which is what the stock markets fear right now. Prices are modestly down again Thursday morning.
Gas	↗	Following a calm start to the day, the international gas market saw a noticeable price jump later in Wednesday's session. Analysts attributed the increases to new fighting between Russia and Ukraine, close the important gas pipeline that transports Russian gas through Ukraine to Southern Europe. If this pipeline is damaged due to the war, it would of course impact Europe's gas supply significantly, so the market has to react to such news. Prices are further up early Thursday.
Coal	↗	Supply is still plentiful on the European coal market, but the rising gas prices could lead to growing demand for coal, which has otherwise been somewhat out of favor recently. Therefore, the market rose along with gas yesterday, with the API 2 2025 contract closing at 125,43 USD/t. We expect the correlation with gas to continue today.
Carbon	↗	On the carbon market, the situation also remains volatile, amid the fluctuations we currently see on the related markets, both in terms of fuels and stocks. Yesterday, the benchmark contract, the EUA Dec-24 rose along with these markets and climbed above 70 EUR/t, closing at 70,57 EUR/t. We could see further increases today.
Hydro	↘	Early Thursday, the forecasts continue to suggest very wet conditions in the Nordic area during the next ten days. As a result, the hydro balance is expected to improve, and the most recent estimates from Refinitiv suggest a balance in exact 0 in two weeks' time. The outlook still appears bearish for the Nordic power market since we continue to see high precipitation amounts in the long-term forecasts.
Germany	↗	After a quiet start to the day, the German power marked edged up along with gas yesterday, possibly as a reaction to the news that fighting between Russia and Ukraine has recently taken place close to the important gas pipeline from Russia to Southern Europe. As a result, the German Cal-25 contract climbed 1,63 EUR/MWh to 96,11 EUR/MWh. The market opens bullishly again early Thursday, reacting to signals from the related markets.
Equities	↘	Yesterday, the recovery on the stock markets continued, with a jump of 1,54 % on the European Stoxx600 Index in response to the previous increases in the US the last day. The concerns about the global economy are still noticeable however and today does not look quite as positive following a late retreat in the US yesterday evening.
Conclusion	↘	Early Wednesday, the Nordic power market retreated due to wet weather forecasts and an improving hydro balance, but the market changed direction and started recovering as the related markets climbed in the afternoon. The Nordic system futures ended up more or less where they started, with the Q4-24 and 2025 contracts closing at 42,30 EUR/MWh and 41,05 EUR/MWh. Today, we continue to see bearish signals from the wet weather forecasts, and we expect a largely neutral session as this is offset by bullish gas, German power.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
06-aug	86,98	87,23	22,15	88,11	22,15	23,68	30,34	September	80,25	83,38	21,75	36,75	41,00	32,50	25,75	Day-ahead	38,04
07-aug	92,91	92,91	16,65	91,99	17,06	22,94	25,59	Q4-24	81,05	77,55	37,70	50,05	51,10	52,30	42,30	Year 2025	40,60
08-aug	93,13	93,15	7,91	92,52	9,24	22,46	22,44	2025	83,43	81,18	36,85	47,45	48,25	50,80	41,05