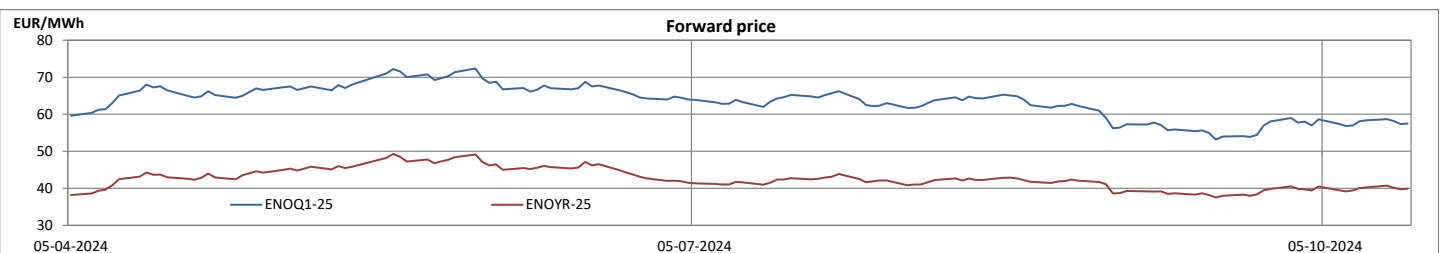
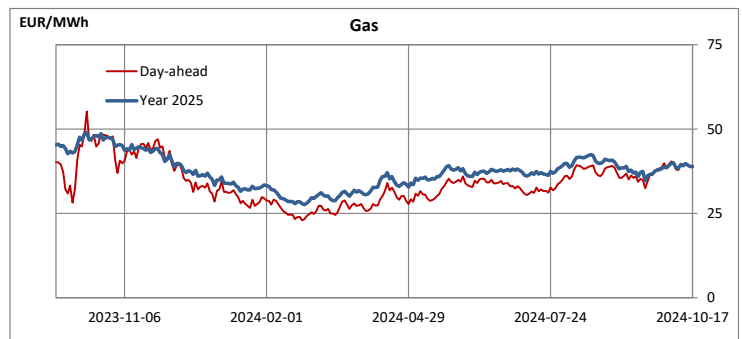
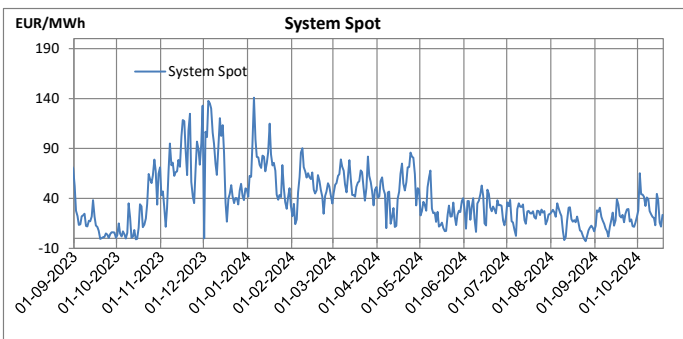


## Expectation

- Oil** Oil price settled nearly the same as the previous day although it touched its lowest level since the start of October. The waning fears of Israel attacking Iranian oil supplies and expectations of lower global demand was able to dampen the bullish news that US crude inventories fell more than expected and the ECB lowering interest rates which lowers borrowing costs thereby potentially lifting demand for oil futures.
- Gas** Despite the fundamental situation still showing a bearish environment, gas prices in European markets ended the losing streak of the previous 2 sessions and returned to some gains yesterday. Rather mild weather still weighs on the short-term demand, while EU gas storages were lately pegged at slightly more than 95% of their combined capacity. But the termination of the Ukrainian transit deal for Russian gas by the end of 2024, expectations of muted growth in LNG supply this winter as well as tensions in the Middle East provide supportive drive. The market opened rather neutral today, before turning softer. We expect limited downside.
- Coal** The seasonal demand pattern might limit the downside of coal prices while the gas price is the main driver of price changes. We expect coal to move sideways or slightly up today. The coal market is expected to have more bullish support in near term from demand for heating and also storage needs is about to support the price levels. Also, the Chinese stimulus can be seen as a great influencer. And just to remind, coal accounted 60% of China's electricity supply in 2023.
- Carbon** The price of EUA DEC-24 has been volatile during the week. Yesterday, the price seems to stabilize after Wednesday's drop. Today, we expect price of emissions to be rather steady. We expect, in short term, that technical support levels and trading tactics will determine the price moves. If the price drops from the current level (62,98 €/t) nearer to 62 €/t, the next level to watch is 60 €/t which is seen as a strong support level. We do not see any catalyst which might cause price to increase substantially right now.
- Hydro** A high-pressure system currently east of the Nordics will give way to low-pressure systems moving west to east, bringing mild weather with temperatures 3-5°C above normal for the next two weeks. Precipitation around 90-110% of the reference, and windy. In the end a high pressure will influence the region, leading to drier and less windy days, though mild temperatures will persist, with reduced precipitation (70-90% of reference).
- Germany** The German power market was yesterday caught in a more or less sideways move and settled somewhat firmer yesterday. The front month contract at 88,08 EUR/MWh added 1,35 EUR/MWh on the day, while the front year contract showed a more limited move and added 0,28 EUR/MWh to settle at 86,79 EUR/MWh. Some upside in the gas market proved supportive to some extent, while the rather neutral carbon sector capped room for further upside. The conflict in the Middle East and its potential impact on the global energy sector remain a factor in the risk assessment of market participants. Gas and carbon turning softer after neutral opening weighs on power contracts, but a recoil cannot be ruled out.
- Equities** Yesterday the STOXX 600 rose 0.8%, reversing a two-day decline, after the ECB cut interest rates by 25 basis points, as widely expected. This confirms that the eurozone's inflation is now better controlled, though economic prospects have worsened. Similarly, the US stock markets increased, driven by a strong earnings report from chipmaker TSMC. The optimistic mood might linger as European futures point to a green opening.
- Conclusion** The Nordic power prices rose marginally yesterday despite wetter weather forecasts as the Q1-25 and Cal-25 contracts closed at 57,50 and 39,90 EUR/MWh resp. It seems that it was technical levels as well as geopolitical risks that was causing a price jump on the market as fundamentals remain healthy. This morning the hydro balance forecast slumped, but the Nordic power market looks set for another slow day.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
16-okt	24,28	20,64	13,08	13,37	12,19	24,83	15,76	November	77,25	75,88	43,00	52,25	48,88	55,00	45,00	Day-ahead	39,23
17-okt	60,32	57,63	1,97	1,97	1,27	33,37	11,74	Q1-25	81,88	76,00	55,30	64,00	78,00	68,00	57,50	Year 2025	38,86
18-okt	102,27	102,27	9,84	9,84	4,28	41,28	23,61	2025	77,78	74,90	36,15	48,40	50,10	48,15	39,90		



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