

Expectation

Oil



On the oil market, the Brent front month contract once again moved largely sideways yesterday, where it closed the day at 72,28 USD/bbl, marginally higher than Tuesday. The market faces mixed signals right now, but the expectations to Donald Trump's presidency is that the US dollar will strengthen and that output will rise, two factors which are both bearish. The general geopolitical uncertainty offset this but the market is falling early Thursday.

Gas



European gas prices fell modestly yesterday, taking a pause from the sharp increases the previous sessions. The uptrend resumes Thursday morning however amid reports that Russian gas supply to Central Europe could seize earlier than expected following a court ruling. Across the futures curve, prices are once again reaching new year-high levels, as storage levels have also fallen lately due to rising demand.

Coal



There were no major fluctuations on the coal market yesterday, with prices falling modestly along with gas. We expect rising prices today. The year-high price levels on the gas market make coal more attractive in the energy mix and with temperatures set to decrease next week it appears likely that coal consumption could increase in the near future.

Carbon



Wednesday, the European carbon market also edged down, with the benchmark contract, the EUA Dec-26, closing at 66,31 EUR/t. The price falls were likely in response to what happened on the gas market and the correlation looks set to continue Thursday morning where we see a rebound.

Hydro



Low pressure weather will dominate in the Nordic area during the next 4-5 days, but from early next week, a shift to high pressure-conditions with low wind output and, low temperatures and low precipitation amounts is expected. The outlook is bullish for the Nordic power market and adds to the sentiment early in Thursday's session.

Germany



Falling gas and carbon prices combined with windier weather forecasts led to falling prices on the German power market yesterday. In contrast to the Nordic area, wind output is expected quite high next week and this will likely cause spot prices to retreat from the current very high levels. The market rebounds today due to the new concerns surrounding Russian gas deliveries.

Equities



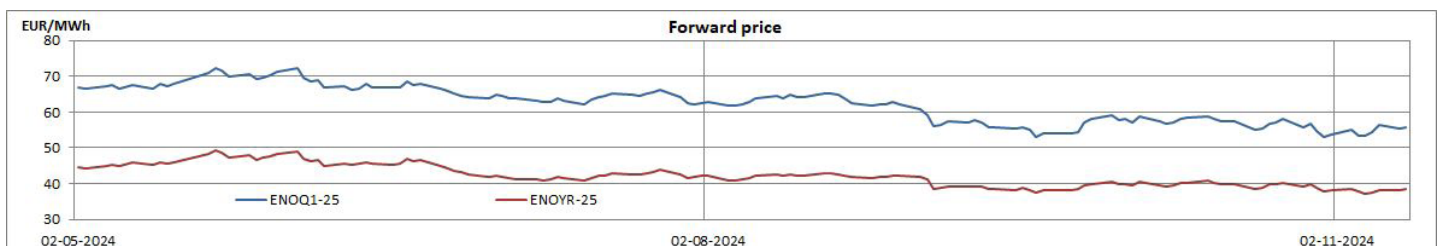
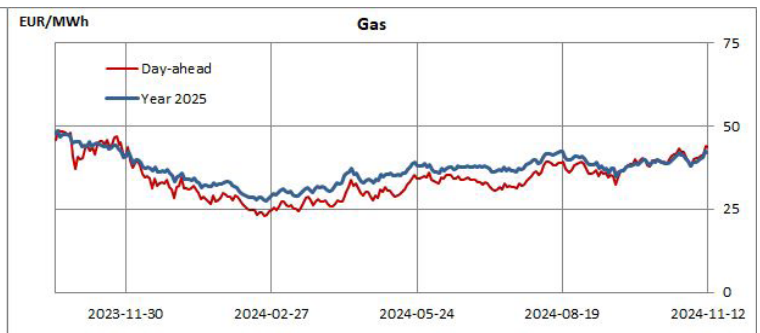
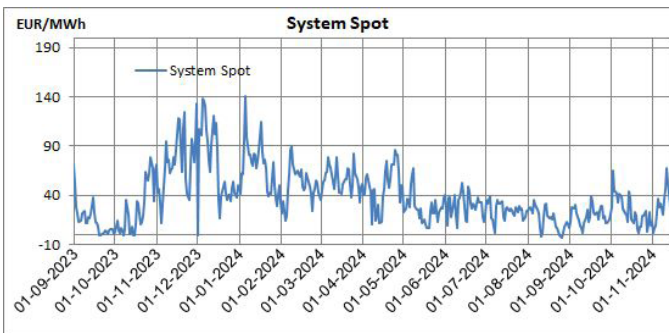
Both on the European and US stock markets, we saw a largely neutral sentiment yesterday. It appears as if the optimism on the US markets in the wake of Donald Trump's election victory have eased now and the market is returning to normal. The first signals from Europe early Thursday point towards another day of largely sideways trading.

Conclusion



Yesterday, the Nordic power market edged down along with the related markets, with the Q1-25 and 2025 system futures closing at 54,45 EUR/MWh and 37,52 EUR/MWh respectively. Today, the sentiment has clearly changed. Drier and calmer forecasts combined with rising prices on the related markets due to growing gas supply concerns cause the market to edge up and we expect the bullish sentiment to continue throughout the day.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
12-nov	166,02	166,12	116,15	165,42	91,85	68,64	52,23	December	85,63	85,50	59,50	61,25	60,00	62,00	50,00	Day-ahead	43,69
13-nov	138,06	139,76	57,71	106,00	13,47	42,74	28,92	Q1-25	86,95	79,33	58,70	64,45	75,10	66,45	54,45	Year 2025	42,09
14-nov	106,27	106,28	34,71	45,90	1,52	42,34	24,03	2025	82,77	80,02	34,97	45,47	48,32	46,52	37,52		



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