## Morning Report July 25 2024 Energi Danmark\*

## Expectation

Oil



Yesterday, the international oil market managed to recover a bit following the rather sharp losses during the previous sessions. The Brent front month contract rose 0,61 USD/bbl to 81,71 USD/bbl, as falling inventory levels in the US is a bullish sign for the market, indicating increasing demand in the world's largest oil consumer. A slow Chinese economy does however weigh bearishly, and the market retreats again Thursday morning.

Gas



On the gas market, prices increased across the curve in yesterday's trading. The fundamental situation on the market remains bearish amid strong supply, but we see some bullish technical signals on the market which offers some bullish support. The market retreats again early Thursday but we do not expect any major fluctuations.

Coal



The European coal market also recovered a bit yesterday, rising along with the gas prices. Following an increase of around 2 USD/t, the API 2 2025 contract closed at 115,00 USD/t. The market remains closely correlated with gas, but there is no reason to think that a big uptrend is on the way since yesterday's rising gas prices were more a result of technical trading.

Carbon



Wednesday also offered rising prices on the carbon market, with the sudden price jump on the gas market as the main reason. The markets are positioning themselves at the end of the month, with the benchmark carbon contract closing at 68,41 EUR/t. This means the contract is now safely back within its 65-70 EUR/t price range and the market opens sideways Thursday.

Hydro



Following a wet end to this week, next week looks quite dry in the Nordic region. Meanwhile, temperatures are expected above average during most of the next two weeks. Wind output will, except for a few days early next week likely remain below seasonal normal. The drier and calmer outlook appears bullish for the Nordic power market today.

Germany



In response to the price increases on both the gas market and the carbon market, the German power market also made an upwards adjustment yesterday. The country's 2025 contract was up around 2,50 EUR/MWh, closing at 90,07 EUR/MWh. We expect a somewhat calmer session today, where the market opens largely sideways.

Equities



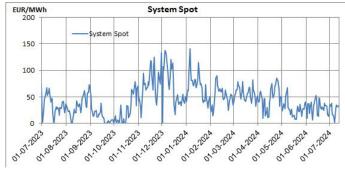
Very disappointing financial statements from Google and Tesla led to a blood red day on the international stock markets yesterday. The European markets were modestly down early in the day, but the US S8P 500 Index fell a massive 2,31 % later in the session. The European markets should therefore be up for another very bearish day Thursday.

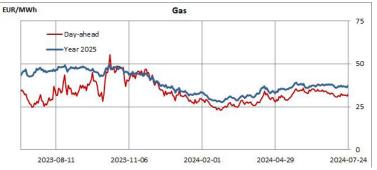
Conclusion



An initially neutral opening on the Nordic power market Wednesday was replaced by rising prices later in the session due to the price climbs on the related markets, first and foremost gas and German power. At the end of the day, the Q4-24 and 2025 contracts had risen to 46,42 EUR/MWh and 42,90 EUR/MWh respectively. The market opens bullishly again Thursday morning, making up for late increases in Germany yesterday and responding to drier weather forecasts for next week.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
23-jul	78,22	78,22	21,77	42,10	19,74	23,80	27,28	August	68,00	71,30	23,25	35,25	29,55	35,15	28,25	Day-ahead	32,65
24-jul	51,41	51,58	20,88	34,56	30,76	20,85	23,32	Q4-23	75,92	71,30	41,67	53,92	53,92	57,17	46,42	Year 2025	37,44
25-jul	77,14	77,81	22,68	26,81	23,12	22,68	28,81	2025	78,15	74,90	38,30	49,30	49,40	52,65	42,90		







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