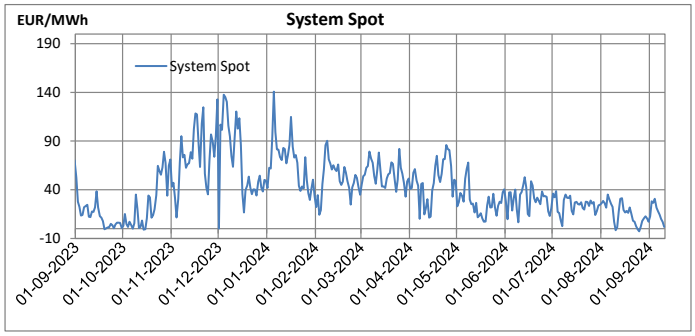
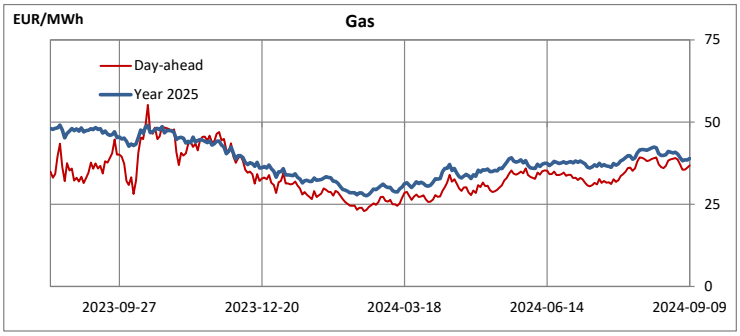
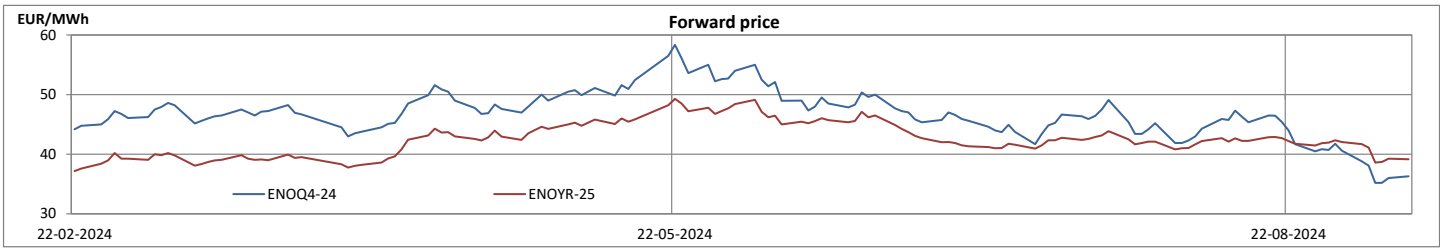
Morning Report September 10 2024

	Expectation	
Oil	↘	The oil market remains pressured due to weak demand from China, where economic challenges and reduced industrial activity have limited oil consumption. The developing hurricane in the U.S. Gulf Coast raised concerns over potential supply disruptions, especially as the region accounts for a significant portion of U.S. refining capacity. However, despite this, the market sentiment remained bearish, with concerns about global demand capping price gains.
Gas	→	Besides ongoing Norwegian maintenance limiting flows as well as LNG supply tentatively tightening on Egypt's import demand, some additional factors started to weigh on the sentiment lately. Export capacity on the US' Gulf Coast will likely be impacted by a hurricane, which will make landfall tomorrow, but the extent remains to be seen. At the same time, temperatures across Europe are set to decrease and hit values below the norm during the remainder of this week, but forecasts show rising temperatures thereafter again.
Coal	↘	The coal market followed the gas prices for most of the day but ended in red territory as the API Cal-25 contract closed at 119,50 USD/t. Coal remains tightly gripped to gas prices as weak demand and low import levels into Europe keeps price movements quiet. However, higher imports into Europe are expected this month and will increase as we get closer to winter season.
Carbon	→	The emission rights were trying to keep up with the recoil in gas yesterday but failed to pick up momentum after hitting as 67,43 EUR/t intraday. It fell back and closed almost unchanged at 66,4 mark. There is no will to push the contract higher at the moment with diverse signals from the macro side and when Europe has seen a lot of renewables in the system. It seems the benchmark contract is a bit stuck between 66-68 EUR/t at the moment, with no really intention to push in either direction. It will try and follow gas today but overall a neutral and sideways days is expected.
Hydro	→	An intense low pressure is passing Scandinavia in the front, but after that a high pressure system southwest merges with the one in the east, effectively blocking for new entrance of low pressure from the Atlantic Sea. Most precipitation then will take a northern path, not hitting the exchange area. Due to the heavy rainfall in the front, the forecast shows a surplus of 2,5 TWh against normal levels but with the drier ending. This is apparent in bot the GFS and the EC forecasts. Wind is coming down in level to a calmer situation and temperatures mostly 2,5 degrees above normal. Hydro stands at a surplus at 3,5 TWh and should be at the highest level with the inflow next week before it would change direction.
Germany	→	Gas prices firming further yesterday and cooler conditions during the remainder of this week proved supportive for German power contracts yesterday. On this impetus, the front month contract settling at 84,35 EUR/MWh added 1,49 EUR/MWh day-on-day. The front year contract on the other hand booked rather limited gains of 0,12 EUR/MWh to settle at 90,71 EUR/MWh as the carbon market treaded water and did not manage to provide any stronger impulse.
Equities	→	Yesterday, global equity indices made a small correction upwards, but it seems that this attempt may be somehow short-lived. In Asia, the markets are cautious over the China's economic indicators and the picture is mixed. Also, in Europe, futures indicate a mixed picture because EUROSTOXX 50 and FSTE futures point in different directions. We expect rather neutral day and expectation of direction is sideways.
Conclusion	↗	The Nordic power prices were mixed after the first session of the week as Q4-24 closed marginally up at 36,30 EUR/MWh where as Cal-25 dropped 10 cents to close 39,15 EUR/MWh. The rather muted movements can be attributed to a mixed weather signal while the overall sentiment remains in a rather bearish state. However, the forecasts have turned colder and drier in the Nordics which lifts prices this morning.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
08-sep	68,98	68,98	3,60	15,69	14,26	3,73	9,92	September	66,75	69,25	16,40	29,25	43,00	29,00	21,00	Day-ahead	36,81
09-sep	93,31	93,31	1,40	1,40	1,42	2,67	7,01	Q4-24	75,55	72,93	32,30	44,30	52,30	46,30	36,30	Year 2025	38,93
10-sep	16,99	14,92	0,69	0,69	0,58	1,10	1,69	2025	80,40	77,65	35,40	47,40	49,65	48,15	39,15		







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