







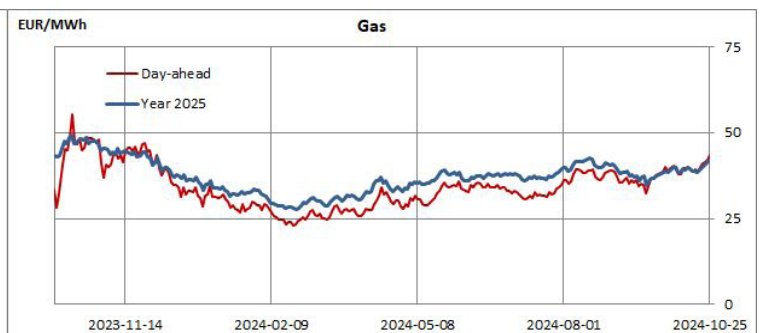
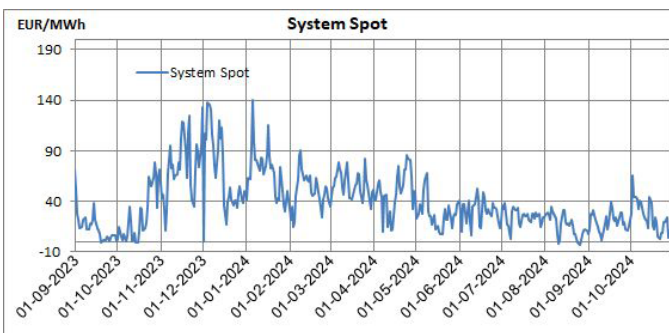


Morning Report October 29 2024

Expectation

- Oil**  After weeks of uncertainty and high risk premium, the oil market yesterday responded very bearishly to the Israeli attack on Iran, which happened Saturday. The attack did not target the Iranian oil industry, as had been feared, and was overall considered milder than expected, so the market edged down Monday amid expectations that tensions in the region could now cool. The Brent front month contract fell almost 5 USD/bbl to 71,42 USD/bbl and will look to stabilize a bit today.
- Gas**  The Israeli attack on Iran, and the aforementioned analysis from the markets that it was not as strong as feared, also led to falling prices on the European gas market yesterday. The market had increased throughout last week and it was therefore no surprise to see some risk premium removed once the Israeli attack actually took place. There are still uncertainties surrounding the market, particularly the situation about Russian gas deliveries, and we do see a modest rebound early Tuesday.
- Coal**  On the coal market, the sentiment was also very bearish yesterday. With sharp price falls on the gas market, there was no doubt that coal was also bound for a downturn and the API 2 2025 contract closed the session at 124,45 USD/t. Coal demand is on the rise in Europe but not enough to change the fact that the market is closely linked to gas.
- Carbon**  In line with the bearish development on the related markets, the European carbon market also edged down yesterday. The market had been rising throughout last week, but fell to 66,40 EUR/t Monday. The overall sentiment appears bullish however, and it seems likely that we will see at least a modest rebound in Tuesday's trading.
- Hydro**  Expected precipitation in the Nordic area during the next ten days is around 30-40 % above seasonal average. Even though water levels in the reservoirs have started to fall, they are still quite high and this means hydro producers still have to produce at low prices. The hydro balance surplus is expected to reach 12 TWh in two weeks' time.
- Germany**  German power prices fell along with the fuel and carbon markets yesterday. After the sharp increases last week, the news out of the Middle East from the weekend were bearishly interpreted and the German 2025 contract closed Monday at 90,66 EUR/MWh, almost 2 EUR/MWh lower than Friday. Today, we see signs of an upwards correction but much depends on gas once again.
- Equities**  After a neutral close to last week, Monday was rather bullish on the European stock markets, where the Stoxx600 Index was up 0,41 %. The markets are now preparing for a couple of very hectic weeks, with the US Presidential election of course as the most anticipated event. The first signs from Asia early Tuesday are somewhat bearish.
- Conclusion**  Nordic power prices fell along with the related markets Monday, with wetter and milder weather forecasts for the forthcoming weeks adding to the downside. The short end of the curve fell rather sharply as it looks like temperatures will remain high in the first parts of November. The Q1-25 and 2025 contracts closed the day at 55,75 EUR/MWh and 39,20 EUR/MWh respectively and we consider a more neutral session as the most likely scenario today. The forecasts remain bearish but rising related markets could offset this.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
27-okt	88,87	88,87	-0,39	-0,39	-0,39	5,32	3,45	November	79,15	80,28	41,40	48,40	44,90	51,15	40,15	Day-ahead	42,16
28-okt	109,79	109,79	9,37	16,25	3,35	18,26	10,70	Q1-25	81,50	77,25	54,70	61,40	76,75	67,50	55,75	Year 2025	41,30
29-okt	141,04	141,04	42,16	130,71	38,88	47,47	23,44	2025	79,20	76,20	35,30	47,10	49,60	47,95	39,20		



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