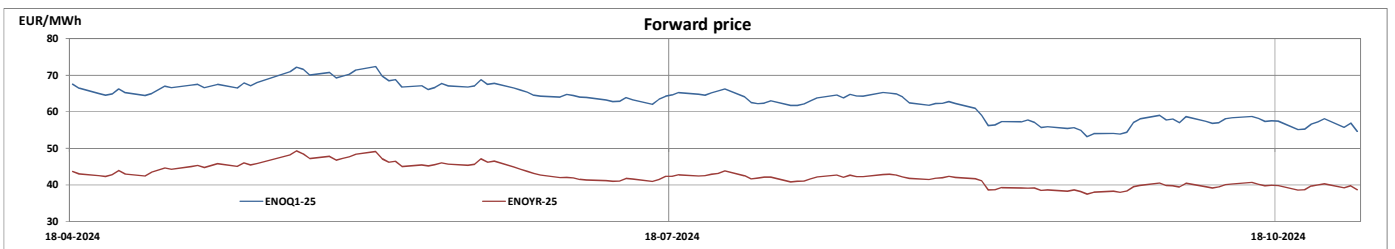
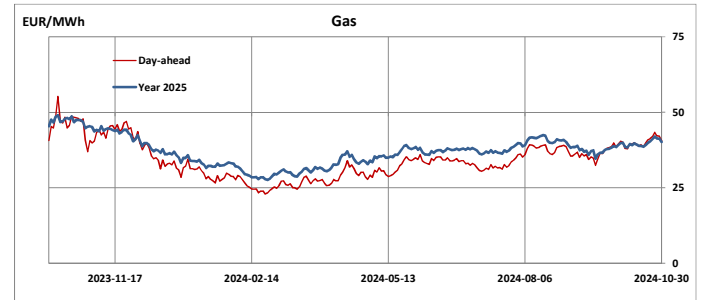
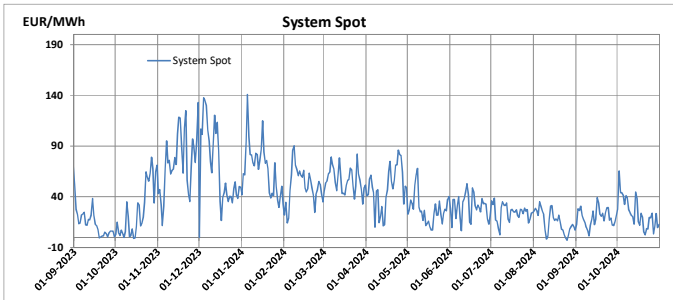


Morning Report October 31 2024

Expectation

- Oil** Oil prices surged over 2% yesterday after reports revealed unexpected declines in U.S. crude inventories and potential delays in OPEC+'s planned output increase to counteract the weaker demand, especially from China. Overall the sentiment maintains its bullish view from these news after the recent downtrend but the vicinity seems limited which indicates restrained movements today.
- Gas** After the Dutch TTF front month contract as the benchmark for the European gas sector hit its 11-month high during Tuesday's session, yesterday brought a marked pull-back of nearly 2 EUR/MWh. Seemingly, fundamentals shifted back into the focus and mounted bearish pressure. At a time of relatively high storage levels, mild conditions until the end of this week for wide parts of Europe helped to trigger and drive the observed correction and outweighed relatively low renewables output at the moment. There might be some more room for weakness today, but that might turn our limited.
- Coal** The API2 coal market followed gas prices lower on milder temperatures. The healthy storage levels of both gas and coal in Europe dampens price move from higher demand for coal in Asia. Yesterday the API2 Cal-25 hit a support level at 123,5 USD/t before it bounced back slightly though with more unsettled weather forecasts it could fall again today.
- Carbon** After hitting the highest level since early September during the previous session, the carbon market tumbled more than 2 EUR/t before finding support at the 65 EUR/t mark and then settling somewhat higher. The fall was attributed lower prices on the gas market as well as a larger reduction in the net short positions from investment funds. In fact, net short positions hit its lowest level since early September. Prices could stay steady today unless the gas market heads lower again which can pull the carbon prices down as well.
- Hydro** High pressure is settling over Scandinavia this week, bringing warmer, summer-like conditions with temperatures rising 3-4 degrees above average. Showers are expected in the northeast on Monday, but most of the region will remain dry. Cooler air is forecast in the north later this week due to a low-pressure system. As we approach the weekend and early next week, unsettled weather is expected to move in from the west, bringing more typical temperatures and increased precipitation. There is a chance of colder conditions, 2-3 degrees below average, towards the end of the forecast period.
- Germany** Amid a mostly bearish development in the energy complex, German power price along the forward curve shifted lower yesterday. The front month contract settled as much as 3,43 EUR/MWh lower on the day at 96,20 EUR/MWh. Similarly, the front year at 88,10 EUR/MWh dropped 2,89 EUR/MWh compared to Tuesday's settlement. While wind output is still forecast at rather low levels, the risk of colder conditions during early November, that drove the market recently, is receding lately. Weaker fuels and carbon prices as well as a rather calm situation in the Middle East also contributed to the downward correction. The market opens a bit lower today, but might find support rather soon.
- Equities** The global indices ended red yesterday, and futures are also pointing downwards today. Maybe the reason for direction is U.S. election uncertainty or expected rate cut policies, but all eyes today are on Mega-tech earnings information. The expected direction of indices today is slightly down. This estimate is driven by futures indications.
- Conclusion** The Nordic power prices fell yesterday on unsettled weather forecasts and tumbling gas and German power prices where the Q1-25 hit its lowest level in over a month to close at 54,50 EUR/MWh while Cal-25 retreated over 1 EUR to close at 38,70 EUR/MWh. Over night the weather forecasts extends the unsettled weather with potentials for windy weather during November in the Nordics that lowers the prices across the markets again today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
29-okt	141,04	141,04	42,16	130,71	38,88	47,47	23,44	December	79,55	76,30	50,05	54,15	62,30	59,05	47,55	Day-ahead	40,53
30-okt	98,80	98,49	7,97	11,23	1,54	12,12	9,65	Q1-25	80,78	75,78	56,15	61,15	75,65	66,40	54,65	Year 2025	40,24
31-okt	44,90	44,61	11,35	16,68	26,68	10,62	12,59	2025	79,45	75,45	35,60	46,60	48,95	47,45	38,70		



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