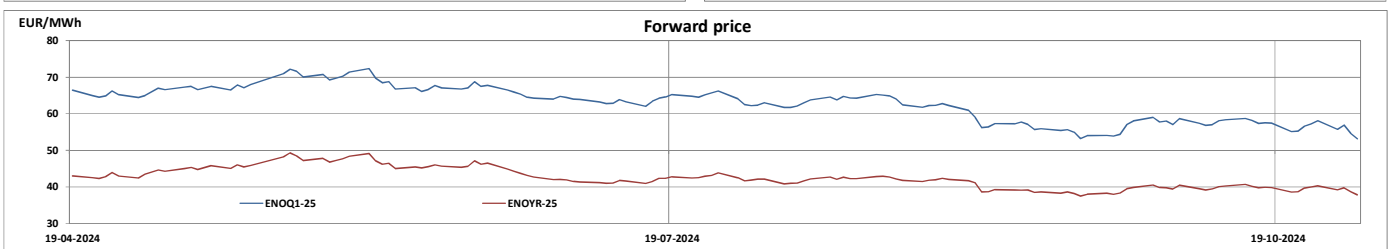
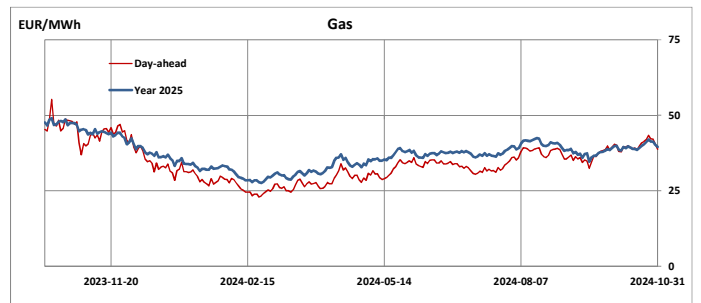
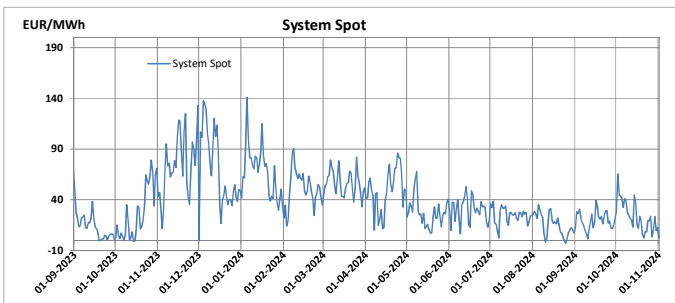


# Morning Report October 31 2024

## Expectation

<b>Oil</b>		Oil prices rose significantly late yesterday amid reports of a potential Iranian attack on Israel. Concerns over Middle Eastern instability and uncertainty surrounding OPEC+ output decisions contributed to the price increase, as geopolitical tensions heighten market volatility. Tensions remain this morning which means the oil markets face further fluctuations today. Meanwhile, signs of recovery in the Chinese economy in October after their stimulus is improving their demand.
<b>Gas</b>		European gas prices started into yesterday's session softer once more, and traded sideways for most of the session on this lower level. This was primarily driven by temperatures, despite a short dip on the coming weekend and early next week, remaining at a rather mid level while gas storages see some withdrawals lately but stay at rather high levels. Shortly before session end, news about some European buyers nearing a deal for supplies from Azerbaijan broke and send gas prices plunging as this would keep certain volumes flowing to the continent when the transit deal for Russian gas via Ukraine expires by the end of the year. Prices breaking markedly lower than yesterday's low seems possible, but perhaps unlikely.
<b>Coal</b>		The steep fall on gas market yesterday rubbed off on the coal market as well. The API2 Cal-25 contract closed at its lowest level for all of October as the market remains bearish with stable demand, decent inventories and steady supplies. The coal market opens sideways but will be directed by the gas prices.
<b>Carbon</b>		Yesterday, the carbon market continued its path of correction from the recent high set on Tuesday and booked the lowest level since Wednesday last week. Taking a cue from initially softer, later more markedly dropping gas prices, the Dec '24 benchmark contract settled the day at 64,58 EUR/t (-0,89 EUR/t day on day), before closing the session at 63,70 EUR/t. This low closing level might trigger some further bearish development in the near-term, but for today some recovery could be in play.
<b>Hydro</b>		This weekend, low-pressure systems will bring unsettled weather to the Nordics, with cold NW winds. Early next week, a ridge of high pressure will bring milder, settled conditions that may persist, though some precipitation is expected in northern mountainous areas. Temperatures will initially drop below normal but are projected to recover later, with a potential surplus in the latter half of the week. The forecast is reliable, though uncertainty increases for the following week.
<b>Germany</b>		The German power market maintained its corrective mood yesterday, which set in after recent highs were reached late last week / early this week. With weaker gas and carbon prices, power contracts along the forward curve ticked lower during the day and dropped more markedly late into the session on the bearish drive coming from the gas sector. The front year contract settled at 87,26 EUR/MWh, down 0,84 EUR/MWh on the day. More pronounced losses occurred after the settlement window and saw the closing trade at a significantly lower level at 84,50 EUR/MWh. This morning the market recovers some of the late losses yesterday, but probably remains capped.
<b>Equities</b>		Yesterday, the global equity indices ended red. In Wall Street, it was witnessed that S&P and Nasdaq delivered steepest one-day losses in two months. In Asia, there may be some upside potential if purchasing managers index shows improvement. The futures prices indicate small movements both up and down in different indices. We expect sideways or slight decrease in valuations, at least in European indices.
<b>Conclusion</b>		It was a second day in a row of bleeding prices on the Nordic power market where the Q1-25 and Cal-25 contracts has shredded 4 EUR and 2 EUR over the last two days to close yesterday at 53,15 EUR/MWh and 37,85 EUR/MWh resp. The change in weather forecasts to more unsettled conditions has been the main driver while the falling German power and gas prices has amplified the magnitude. Today, weather forecasts is showing more high pressure in the Nordic region and lifts the market initially but German power prices can pull the Nordic market further down.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
30-okt	98,80	98,49	7,97	11,23	1,54	12,12	9,65	December	76,25	72,50	49,00	52,15	60,50	56,25	45,25	Day-ahead	38,84
31-okt	44,90	44,61	11,35	16,68	26,68	10,62	12,59	Q1-25	77,90	73,65	55,65	59,65	74,15	64,65	53,15	Year 2025	39,55
01-nov	7,42	7,42	2,79	3,06	5,16	3,31	2,49	2025	77,73	74,73	34,85	45,75	48,65	46,60	37,85		



The Morning report is produced on the basis of information about the Nordic power market from sources which Energi Danmark A/S finds reliable. We attempt to continuously keep data correct and up to date. Energi Danmark A/S assume no responsibility for the accuracy of the contents of this report. Energi Danmark A/S makes reservations for typing errors, calculation errors and assume no responsibility for any loss or damage arising from the direct or indirect consequences following use of this material. Estimates and recommendations can be changed with no prior notice or warning. The report is confidential and only intended for clients of Energi Danmark A/S. Information contained in the report is of general nature and cannot be defined as advice. Readers are urged to seek closer advice in relation to specific questions. This material is not to be published or in any other way passed on for unauthorized use.