

Expectation

Oil



Ahead of the weekend, oil prices started rising again, and the Brent front month contract closed the day at 74,49 USD/bbl. The sentiment on the market is overall bullish following the recent geopolitical escalations amid the coup in Syria and the new EU sanctions against Russia. The new stimulus to the Chinese economy adds to the upside but the question is if the market is confident that it will lift the country's oil demand. The market opens sideways Monday morning.

Gas



European gas prices continued to fall Friday and the week in total showed massive price falls on the most traded futures. The TTF front-month contract has fallen 12 % in a matter of just a week as the weather forecasts look mild and the market is again turning optimistic that Europe will get through the heating season without any major crises despite the recent noticeable withdrawals from the inventories. We expect the downtrend to continue today.

Coal



As the gas market continues to fall rapidly, the European coal market also continues down. The API 2 2025 contract closed Friday at 111,70 USD/t. There are no signs that the market will distance itself from gas so when we see gas open Monday with further price falls, it seems almost given that coal also will extend the downtrend.

Carbon



The benchmark contract on the European carbon market, the EUA Dec-24, is set to expire today, and in the future, the Dec-25 contract will be the benchmark. Ahead of the expiry, the contract has been falling and the downtrend was extended Friday where it closed at 64,43 EUR/t. With gas set to continue down today, we also expect carbon to remain bearish.

Hydro



When we look at the next two weeks, the weather forecasts appear very bearish for the Nordic power market. Both temperatures, precipitation amounts and wind output is expected above average throughout almost the entire two weeks. The hydro balance surplus continues to grow, with the level expected at 20 TWh at the end of the year.

Germany



On a day with falling gas and carbon prices, the German power market also extended the downtrend. The quite sharp losses on the gas market are of course instrumental as the German 2025 contract ended up closing Friday at 88,70 EUR/MWh, down another 2 EUR/MWh from Thursday. Everything points towards another bearish session today.

Equities



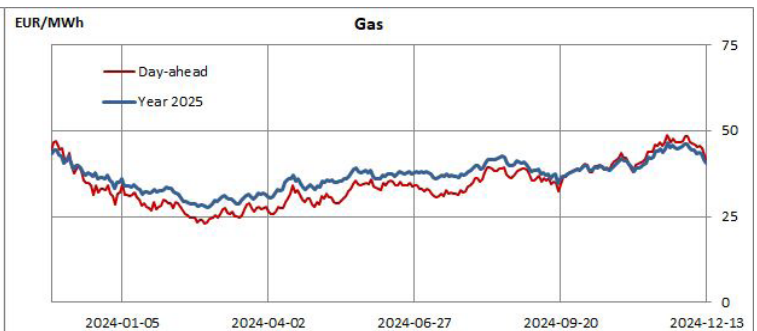
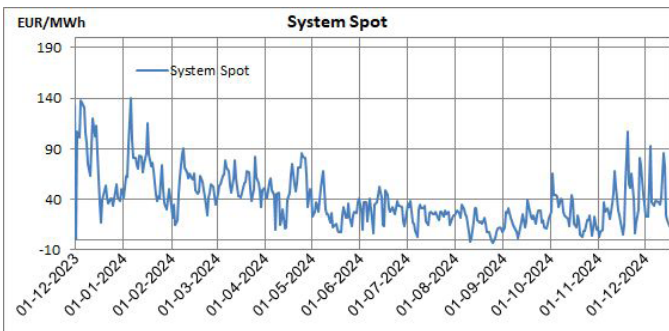
Friday, the stock markets changed direction and an otherwise bullish week ended with a modest downturn. The Stoxx600 Index closed down 0,53 % as the ECB decision to cut interest rates further could not keep up momentum at the end of the week. Today, we see a modestly bearish opening on the Asian markets which could spread to Europe.

Conclusion



With very mild and wet signals from the weather forecasts, the Nordic system futures continued to fall in Friday's session. The related markets also fall rather sharply right now, and this supports the bearish sentiment on the Nordic market. The Q1-25 and 2025 contracts closed at 48,50 EUR/MWh and 32,98 EUR/MWh and since the forecasts remain very wet, mild and windy early Monday, we consider falling prices as the most likely scenario again today.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
14-dec	58,69	54,29	20,13	25,39	15,15	35,01	24,64	January	87,00	92,50	67,50	69,50	75,00	64,75	49,50	Day-ahead	40,96
15-dec	32,25	27,08	23,74	22,37	29,33	29,81	19,25	Q1-25	81,13	76,75	58,50	63,25	73,75	63,50	48,50	Year 2025	40,36
16-dec	20,55	20,43	23,44	20,84	33,45	21,23	13,52	2025	79,23	77,73	34,78	44,18	46,48	44,98	32,98		



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