

Expectation

Oil



After reaching a six-month high in Wednesday's trading, we saw a modest downturn on the oil market yesterday. This does however not change the overall sentiment on the market, which remains bullish due to concerns about global supply and improving hopes for China's economy. The ceasefire deal between Israel and Hamas has so far not been able to offer any relief to the market, which opens with rising prices again Friday morning.

Gas



European gas prices fell in Thursday's trading and the downtrend appears to continue Friday. Gas has been so strong lately, that its competitiveness against coal in the energy mix has weakened, and we therefore now see a situation where coal is gaining against gas. Volatility remains high on the gas market however, as the European supply situation remains under pressure following the halt to Russian exports through Ukraine at New Year.

Coal



There are signs of improving coal demand in Europe at the moment, as the high gas prices have made coal more profitable for power production. The ensuing higher consumption causes coal to rise, despite falling gas, with the API 2 2026 contract closing Thursday at 106,86 USD/t after it came close to dropping below 100 USD/t earlier this month.

Carbon



On the European carbon market, the uptrend was extended yesterday and following a very bullish start to January, the benchmark contract is now trading at its highest level in around 8 months. As coal becomes more attractive in the energy mix, the demand for allowances also increases and speculative investors are taking on new long positions.

Hydro



Ahead of the weekend, we more or less see a confirmation of the Nordic weather forecasts from the last couple of days. This week will end mild and wet, but from early next week, a period with below-average precipitation and temperatures is expected. At the end of next week, the low-pressure weather will return, and the outlook in total appears bearish for the Nordic power market as a result.

Germany



Yesterday, the German power market faced mixed signals, amid milder weather forecasts and falling gas prices, but a continuous uptrend on the carbon market. At the end of the day, the signals ended up offsetting each other more or less, with the country's 2026 contract closing at 93,94 EUR/MWh, largely unchanged for the day. The first signals today are modestly bearish but we do not expect any major downturn today.

Equities



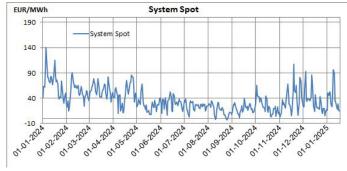
The European stock markets had a strong session yesterday following the positive US inflation figures the previous day. Later in the day, the optimism disappeared on the US markets and the first signals today also point towards modest losses in Europe. The main focus point Friday will be any news from the Trump camp ahead of the inauguration Monday.

Conclusion

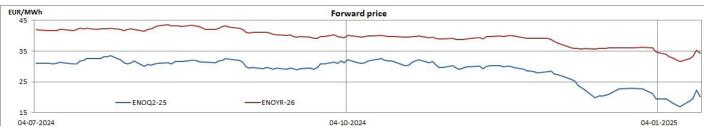


Thursday, the Nordic power market returned to the bearish trend following three straight days of quite sharp increases before. The most traded system futures all edged down, with the Q2-25 and 2026 contracts closing the day at 20,15 EUR/MWh and 34,25 EUR/MWh. The long-term weather forecasts remain quite mild and wet and the most likely scenario on the system futures today appears to be a neutral or modestly bearish development.

Spot	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Forwards	DK1	DK2	SE3	SE4	HEL	OSL	SYS	Gas	TTF
15-jan	199,65	212,45	62,83	121,09	43,44	75,98	29,40	February	86,63	86,98	47,13	51,96	57,13	54,88	38,63	Day-ahead	47,01
16-jan	97,81	123,62	17,61	33,26	1,69	40,88	16,25	Q2-25	71,65	71,90	21,15	30,65	31,15	31,15	20,15	Year 2026	39,13
17-jan	95,85	124,51	13,52	23,45	2,62	37,17	15,20	2026	83,00	84,38	36,75	46,03	46,65	44,25	34,25		







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