

CLEAR TURN TO WETTER WEATHER, WEEK OF WARMER THAN NORMAL WEATHER

Forecast for the week 11:	
Base Quarter Q2-2024	📉 Bearish (< 2 %)
Year product Front year 2025	📉 Bearish (< 2 %)
NP System	📉 Bearish (< 2 %)
NEDEC 2024	↔️ Sideways (± 2 %)

FORECAST FOR THE WEEK 11

POWER FUTURES

The weekend saw a clear upward turn in the hydro balance over the weekend from a level of -15 TWh to a level of -9 TWh compared to normal at the end of two week periods. The precipitation forecast grew rainier than usual, and especially this week is expected to be clearly warmer than usual in both Finland and Germany.

Front quarter

The wetter weather forecast and the fall in fuel prices are squeezing the price of the near-term period in particular, today (Monday). Gas stocks remain at a high level in the EU and, for example, in 2022, stocks already started to take an upward turn towards the end of March and in several other years during the first half of April. In the latest monthly forecast, the first half of April still seems to be 1-2C cooler than usual in the Nordic countries, and flow rates are forecast to remain lower than usual throughout April. In Germany, the first half of April looks like the usual average forecast. The price level in Germany also fell on Monday morning, and Friday's price difference of around €20/MWh was not a significant factor weighing on the Nordic price in either direction. We expect a bearish trend compared to last Friday's price, in the range of €30-€40/MWh for the two-week period.

Annual products

The near-term fall is also expected to be reflected in year products, for example due to the fall in the gas prices. Year products were heading downwards on Monday morning, especially for the next few years. The lowest level for the 2025 product in February was around €36/MWh and correspondingly for the 2026 product around €37/MWh. At the end of last week, the price difference with Germany was a factor that brought a fairly neutral signal at just shy of €40/MWh. We expect a bearish outlook for the 2025 product relative to Friday's close, but both that and the 2026 product are likely to remain above the February lows in the longer run, in the range of €35-€42/MWh, very possibly briefly undercutting this if the trend continues. The HCOB Purchasing Managers' Index for the euro area, published last week, rose stronger than expected, with the services sector already rising above the 50 level of the neutral outlook, but the manufacturing industry as a whole remained at a level indicative of a contracting outlook.

SPOT MARKET

Wind power production is expected to be volatile this week, rising on Wednesday from clearly weaker than usual on Tuesday for the rest of the week, with the strongest production expected on Thursday, when we expect a very cheap spot price level, especially in Finland. We expect pressure on midday prices from solar power generation, with peak hours already above 20 GW at around 12 noon CET in the Nord Pool area, with peak hours north of 1 GW expected at 12 noon to 1 CET. As a whole, we expect this week to be slightly cheaper than last week due to slightly lower consumption and stronger wind power production.

EMISSION ALLOWANCE

There was still no significant short-squeeze movement in the emissions allowance market seen last week, and short selling may continue as the fall in gas prices creates more room to fall. Buying interest has not been strengthening in auctions, and judging by the lowest bid level, demand will only become a strong support level at a level of €50/MWh. The cost of switching between coal and gas is clearly below the current price level over several periods, and even this does not directly support prices. The slightly higher auction volume on alternate weeks may also slightly squeeze the price level this week. Despite some economic news being more positive than expected, we will have to wait until later for a turnaround in the economy, possibly only once the ECB starts cutting interest rates, for example. We expect horizontal movement in the range of €50-€70/t.

MARKET SIGNALS

	spot	Q2-2024	2025
Hydrologic balance development		↓	↓
Precipitation forecast	↓	↑	→
Temperature forecast	↓	↓	→
Spot		→	↓
Production and transmission exch.	→	→	→
Economic outlook & EUA	→	→	↓
Coal and Natural Gas fired production costss	→	→	→
German prices	↑	→	→
Technical analysis		↓	↓

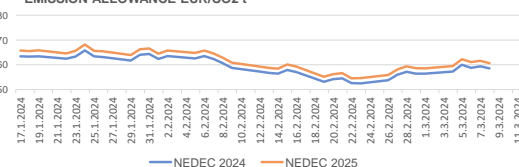
Product	Date	Value	% chg weekly	Chg (EUR)
1st Q: Q2-2024	8.3.2024	38.90	2.4 %	0.90
2nd Q: Q3-2024	8.3.2024	34.30	5.2 %	1.70
3rd Q: Q4-2024	8.3.2024	48.20	4.6 %	2.12
Q1-2025	8.3.2024	62.50	2.1 %	1.30
Front year 2025	8.3.2024	39.80	1.4 %	0.55
2026	8.3.2024	38.30	1.5 %	0.55
2027	8.3.2024	40.50	0.7 %	0.30
2028	8.3.2024	42.75	0.0 %	0.00
2029	8.3.2024	42.25	1.4 %	0.60
NEDEC 2024	8.3.2024	58.55	3.8 %	2.15
NEDEC 2025	8.3.2024	60.71	3.7 %	2.17

EPAD settlements

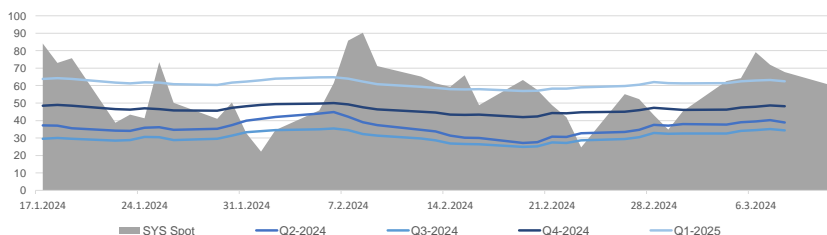
	8.3.2024 €/MWh	2025	2026	2027
FI - NP System	4.00	1.80	1.00	
SE1-NP System	-12.63	-13.26	-9.70	
SE2 - NP System	-12.63	-13.26	-9.70	
SE3 - NP System	-4.75	-2.65	-1.20	
SE4 - NP System	5.30	7.00	8.00	

SPOT week average:		9		VS.		10	
Product	Week avg	% chg	Chg (EUR)		Chg (EUR)	Week avg	
SYS Spot	48.57	31 %	15.13		63.70		
FI Spot	40.12	110 %	44.23		84.34		
SE1 Spot	33.42	83 %	27.61		61.04		
SE2 Spot	33.42	83 %	27.61		61.04		
SE3 Spot	39.70	58 %	22.98		62.68		
SE4 Spot	50.79	23 %	11.53		62.32		

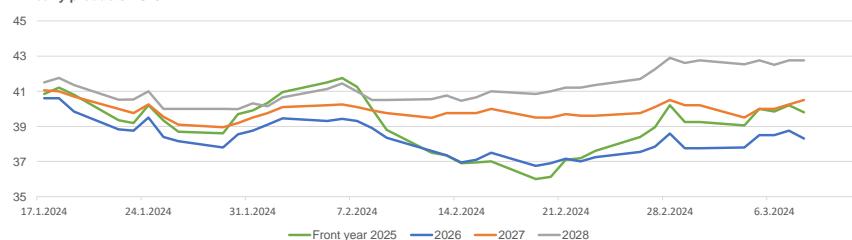
EMISSION ALLOWANCE EUR/CO2 t



QUARTILE PRODUCTS AND NORDIC SYSTEM PRICE EUR/MWh



Yearly products EUR/MWh



COMMENTS ON WEEK 10 DEVELOPMENT

POWER FUTURES

The hydro balance forecast weakened slightly last week, from -12.5 TWh at the end of the two-week period on Monday to about -15 TWh on Friday. There were no significant surprises in the ECB's interest rate decision, with economic news possibly taking a slightly more positive turn in both China and Europe.

Front quarter

The front quarter rose during the course of last week, hitting a low of below €37/MWh on Monday and a high of around €41/MWh on Wednesday and Thursday, slipping to close at slightly below €39/MWh on Friday. The price difference with Germany fluctuated on both sides of €20/MWh, the profitability of condensate production varied fairly horizontally.

Annual products

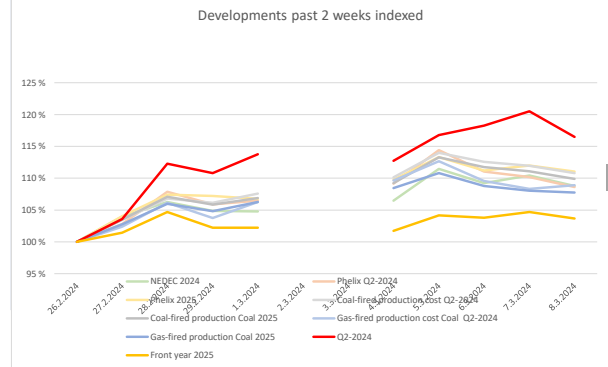
The 2025 product rose during the course of the week, with the price dipping below 39 €/MWh on Monday's before rising to around €39.5-€41/MWh for the rest of the week and closing the week at just over €39.5/MWh. The price difference with Germany remained just shy of €40/MWh, the profitability of condensate production was weaker than in the previous week but heading slightly upwards. Development of the 2026 product followed the near year closely through last week, with the price of the 2027 product rising slightly from around €39.5/MWh to around €40.5 on Friday, closer to the level of later years that had risen to around €42/MWh.

SPOT MARKET

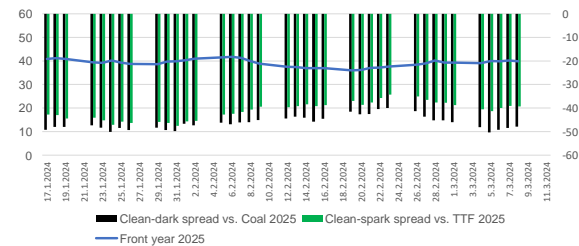
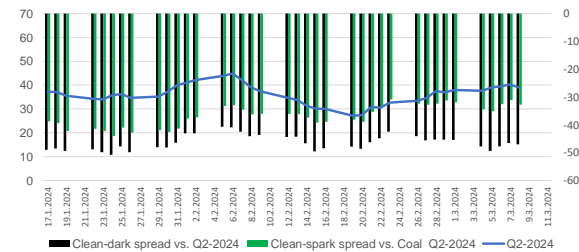
In terms of SYS prices, the cheapest day last week was Sunday at around €46/MWh, Monday was the cheapest weekday at around €63/MWh, whereas Wednesday was the most expensive at around €80/MWh. Wind power production was strongest on a daily basis on Sunday at around 13 GW at average power, weakest from Wednesday to Thursday at below 4.2 GW at average power. In Finland, the early part of the week varied between €85-€95/MWh, while the rest of the week fell slightly, while the weekend was below 70 €/MWh. Peaks in solar power production in the Nord Pool area exceeded 2 GW on Monday, Thursday and Friday, reflecting a clear downward trend in the midday price level. In the big picture, daily consumption was slightly lower than in the previous week in the Nord Pool area, calculated at the beginning of the week, and in Finland about 0.4 GW lower on average than in the previous week.

EMISSION ALLOWANCE

The price of the DEC24 emission allowance traded at its lowest level of the week on Monday at around €53.4/t, rising to the highest level of the week on Wednesday at around €62.8/t before returning to dip below €60/t towards the end of the week. Last week's auctions saw a bid-cover level slightly lower than the year-on-year average of €1.59/t, with the lowest bid varying between €49.99 and €55.15/t. The CoT showed that at the end of the previous week mutual funds had slightly reduced their short positions, and last week's brief rise was attributed to the continued closure of these positions, and the rise in gas prices on Monday and Tuesday was thought to have been supportive of emissions allowances despite continued mild weather.



Forecast history	10	Chg	9	Chg
Base Quarter Q2-2024	↻	2.37 %	↗	16.39 %
Year product	↻	1.40 %	↗	4.39 %
Front year 2025	↗	49.08 %	↻	84.08 %
NEDEC 2024	↻	3.81 %	↻	7.41 %



DETERMINANTS AFFECTING THE MARKET ON WEEK 11

RESTRICTIONS IN PRODUCTION AND TRANSMISSION CAPACITY

Olkiluoto 3 (1600 MW), yearly maintenance 1.3.2024-8.4.2024, in use 0 MW
 Forsmark 3 (1172 MW), fault 16.-21.3.2024, in use 0 MW

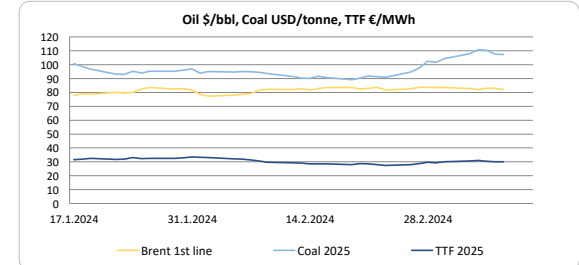
FI-EE EE-FI (1016 MW), fault 25.1.-31.8.2024, in use 358 MW
 SE1-FI (1500 MW), maintenance 30.11.2023-1.3.2025, 2.3.-8.4.2024 in use 1500 MW
 FI-SE3 (1200 MW), maintenance 26.2.2024-19.12.2024, in use 800-1200 MW, and 11.-24.3.2024 in use 300 MW.

- Nordic nuclear power plant utilization capacity was this morning (Monday) 86%
 - RU-FI transmission has been out of use since May 2022 because of payment transaction issues, average imports from Russia last week were 0% of the maximum

SPOT AVERAGES AND EPADS

Price area (€/MWh)	2016	2017	2018	2019	2020	2021	2022	2023	2024*
NP System	26.91	29.41	43.99	38.94	10.93	62.31	135.86	56.44	59.65
NP Area FI - NP System	5.53	3.78	2.81	5.10	17.09	10.03	18.18	0.03	18.97
NP Area SE1 - NP System	2.04	1.43	0.24	-1.00	3.46	-19.82	-76.80	-16.47	-11.20
NP Area SE2 - NP System	2.04	1.43	0.24	-1.00	3.46	-19.76	-73.92	-16.47	-11.10
NP Area SE3 - NP System	2.32	1.83	0.55	-0.58	10.26	3.69	-6.66	-4.74	-1.45
NP Area SE4 - NP System	2.62	2.77	2.37	0.86	14.94	18.21	16.24	8.44	1.90

*Average of 1.1.2024-12.3.2024.



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