

WET WEATHER INCREASING FLOW RATES EARLIER THAN USUAL

Forecast for the week 15:	
Base Quarter Q3-2024	📈 Bullish (> 2 %)
Year product Front year 2025	📈 Bullish (> 2 %)
NP System	📉 Bearish (< 2 %)
NEDEC 2024	↔️ Sideways (± 2 %)

FORECAST FOR THE WEEK 15

POWER FUTURES

The hydro balance forecast was strengthened with extra days this (Monday) morning, and at the end of the two-week period it is expected to reach a level of about -2 TWh compared to normal. The price difference between the Nordic countries and Germany has widened as the water situation has improved. Solar power production in the Nordic countries is rising to peak outputs of about 4 GW during the week, ten times this figure in Germany.

Front quarter

A continuation of the weather forecast as before brings a horizontal signal and at the time of writing, the product has been slightly bullish, as in the previous two trading days. Some resistance level may have formed at around €25/MWh, and without significant changes in prices, new contracts have been made at this level on the basis of open interest. The technical picture has continued to be bearish and there are no clear buying signals that close in the indicators we are tracking. The price difference with Germany has widened to approach €40/MWh. We see an increase in Europe-wide solar power production as a risk to the collapse of average summer prices in Germany, possibly squeezing the price level of peak power hours more strongly than expected, but September is likely to balance the quarterly total. We expect a slight upward trend between €25-€30/MWh.

Annual products

The outlook for the European economy showed a slight improvement last week, and the stronger-than-expected decline in inflation was welcome news for investors waiting for interest rate cuts. For the winter of 2024-2025, the replenishment of gas storage facilities might have already started in Europe, so availability seems quite secure, reducing the risk level. Faster than expected consumption growth may provide room for a rise in the 2026 and 2027 products that are still priced much lower than later years. In our opinion, starting from the 2028 product, pricing has become reasonably neutral for SYS products. For the 2025 product, we expect a slightly bullish trend of around €40-€45/MWh in the near period, while we expect later years to level off towards a level of €45-€50/MWh.

SPOT MARKET

The spot market is expected to see strong wind power production on Wednesday and Thursday, while on Tuesday weaker production and nuclear power maintenance will be supportive of prices. Flow rates are growing stronger than usual, and this may squeeze prices, but on the other hand, peak hours in solar power production, which are becoming quite strong, are already likely to squeeze the midday price level. We expect a slightly lower daily average price level than in the previous week driven by mild weather and strong wind power production.

EMISSION ALLOWANCE

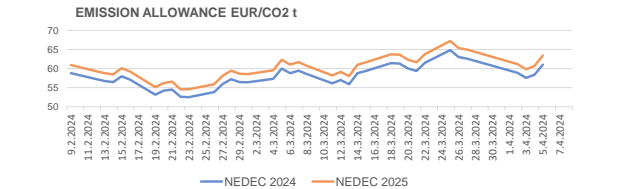
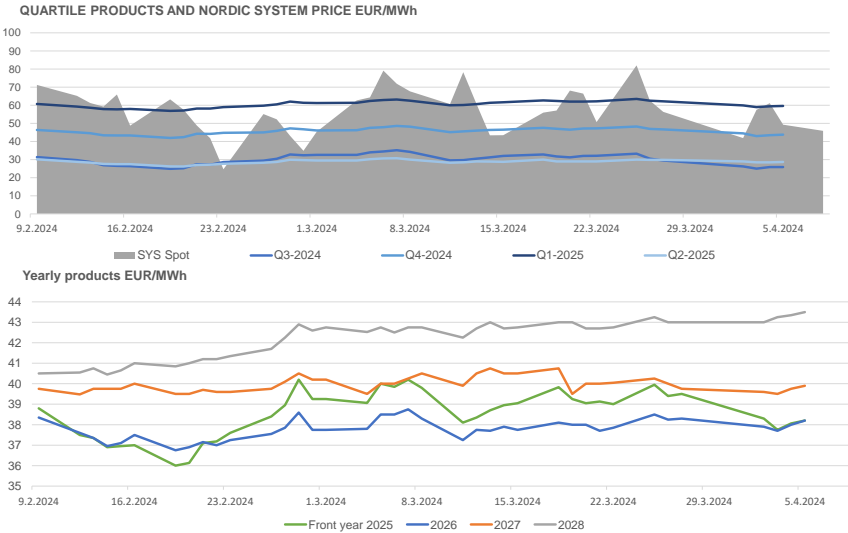
This week, a much higher auction volume than last week is expected on the emission allowance market after the Easter break. We cautiously interpreted last week's economic releases as indicating a positive turn in European manufacturing, while in the United States the economy has remained strong. An interesting piece of information on Wednesday in the CoT is how different actors have changed their positions since the release of the emissions data. As a whole, our expectations for the week are slightly bearish, we expect the emission allowance to continue in the range of €55-€65/t horizontally or showing a slight fall compared to Friday's closing.

MARKET SIGNALS	spot	Q3-2024	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: Q3-2024	5.4.2024	25.85	-12.4 %	-3.65
2nd Q: Q4-2024	5.4.2024	43.78	-6.3 %	-2.92
3rd Q: Q1-2025	5.4.2024	59.60	-4.1 %	-2.55
Q2-2025	5.4.2024	28.70	-3.9 %	-1.18
Front year 2025	5.4.2024	38.20	-3.3 %	-1.30
2026	5.4.2024	38.20	-0.3 %	-0.10
2027	5.4.2024	39.90	0.4 %	0.15
2028	5.4.2024	43.50	1.2 %	0.50
2029	5.4.2024	43.90	0.9 %	0.40
NEDEC 2024	5.4.2024	61.01	-2.6 %	-1.60
NEDEC 2025	5.4.2024	63.42	-2.4 %	-1.57

EPAD settlements	5.4.2024 €/MWH	2025	2026	2027
	FI - NP System	5.10	1.90	0.30
SE1-NP System	-12.50	-12.70	-9.58	
SE2 - NP System	-12.50	-12.60	-9.58	
SE3 - NP System	-5.00	-3.00	-1.00	
SE4 - NP System	5.90	6.51	7.50	

SPOT week average:		13	VS.	14
Product	Week avg	% chg	Chg (EUR)	Week avg
SYS Spot	54.46	-20 %	-10.91	43.55
FI Spot	53.59	-26 %	-13.74	39.86
SE1 Spot	48.82	-24 %	-11.96	36.86
SE2 Spot	48.82	-24 %	-11.84	36.98
SE3 Spot	48.82	-24 %	-11.83	36.99
SE4 Spot	49.48	-14 %	-7.12	42.36



COMMENTS ON WEEK 14 DEVELOPMENT

POWER FUTURES

The hydro balance forecast continued to strengthen slightly, rising to around -5 TWh at the beginning of the week and during the week continued to increase with additional days, ending at around -3 TWh since the two-week forecast published on Friday. In the United States, the manufacturing purchasing managers' indices and employment indicators released during the week showed strong economic drive, whereas the outlook for Europe strengthened slightly, with inflation falling slightly more than expected.

Front quarter

For Q3-2024, the sharp decline continued, especially on Tuesday, with prices falling from around €29.5/MWh to around €26/MWh, while the decrease spilled over into Wednesday to reach around €25/MWh. During the rest of the week, there was possibly a support level for prices at around €25/MWh, and prices recovered slightly between €25-€26/MWh on Thursday and Friday. The strengthening of the hydro balance towards normal levels widened the price difference between Germany and the Nordics during the period.

Annual products

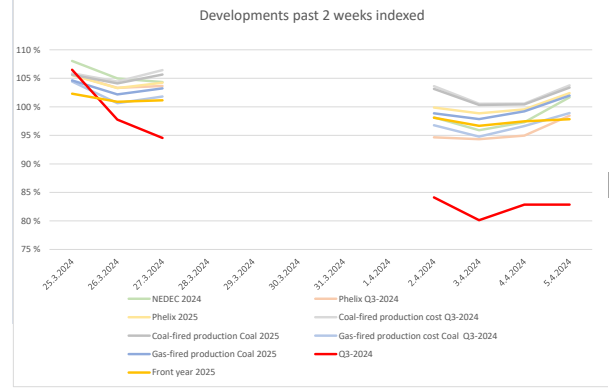
For year products, development of the 2025 product followed the calculated development of gas condensate production costs to fall at the beginning of the week, but during the course of the week the movement was more horizontal at around €38/MWh. At the end of the week, the 2025 and 2026 product prices were roughly the same and were the cheapest year products. Later years starting from 2027 continued to be more horizontal, strengthening towards the end of the week to around €44-€45/MWh from 2028 onwards, with 2027 remaining lower than this at around €40/MWh.

SPOT MARKET

Regarding the SYS price, last week fluctuated between €40-€60/MWh in terms of daily averages, while Sunday fell significantly lower to around €11/MWh. For Finland, examined as daily averages, Thursday's area peak prices of over €200/MWh pushed the average higher, while the rest of the week was close to the SYS price or slightly lower. Sunday's prices also dropped to very low in Finland. The SE3 price mainly followed the Finnish price except for peak prices. Maintenance of Oskarshamn 3 started at the weekend, with several nuclear power plants cutting production on Sunday due to low prices. Yesterday (Sunday) at 4pm CEST saw low down-regulating prices widely across Europe, for example in Sweden we saw a regulating price of around -€1000/MWh widely.

EMISSION ALLOWANCE

The most anticipated event of the week was the preliminary emissions figures for 2023 released on Wednesday afternoon, which showed a slightly stronger than expected decrease of about 15.5% compared to a year earlier. In electricity production, for example, the decrease was around 24%. By the previous Friday, investment funds had continued to reduce their short positions during the week. Despite our expectations, this did not translate into a significant reaction on the markets, there was a slight upside on Thursday and the rise continued on Friday, prices hovered at around €57/t during the week and rose to around €61/t to close the week.



Forecast history	14	Chg	13	Chg
Base Quarter Q3-2024	📈	-12.37 %	📊	-8.10 %
Year product Front year 2025	📉	-3.29 %	📈	1.28 %
NP System	📉	-12.67 %	📉	11.25 %
NEDEC 2024	📉	-2.56 %	📉	1.80 %

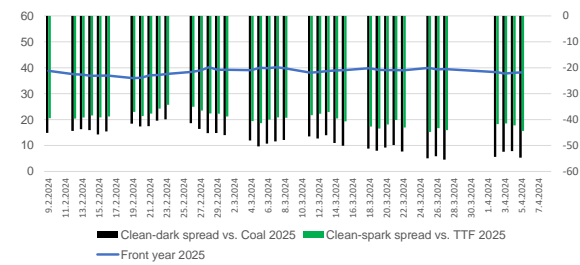
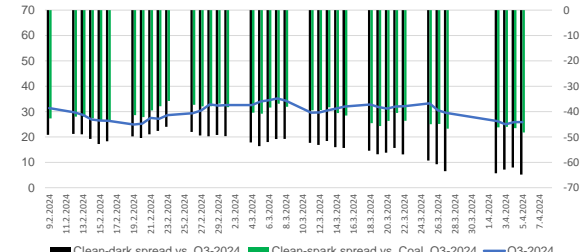
DETERMINANTS AFFECTING THE MARKET ON WEEK 15

RESTRICTIONS IN PRODUCTION AND TRANSMISSION CAPACITY

Olkiluoto 3 (1600 MW), yearly maintenance 1.3.2024-20.4.2024, in use 0 MW
 Oskarshamn 3 (1400MW), yearly maintenance 6.4.-1.5.2024, in use 0 MW

FI-EE EE-FI (1016 MW), fault 25.1.-31.8.2024, in use 358 MW
 FI-SE1 (1100 MW), maintenance 8.-12.4.2024, in use 500 MW
 SE1-FI (1500 MW), maintenance 30.11.2023-1.3.2025, 2.3.-15.4.2024 in use 1500 MW
 FI-SE3 (1200 MW), maintenance 26.2.2024-19.12.2024, in use 800-1200 MW, and 1.4.2024-9.5.2024, in use 200-800 MW, maintenance 8.4.2024-12.4.2024, in use 100 MW

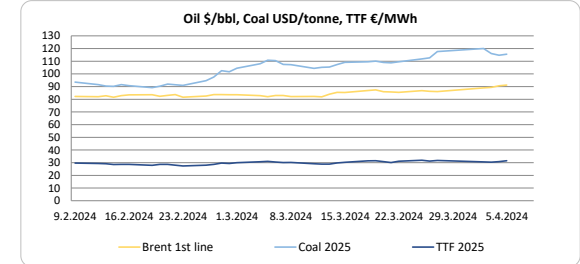
- Nordic nuclear power plant utilization capacity was this morning (Monday) 72%
 - RU-FI transmission has been out of use since May 2022 because of payment transaction issues, average imports from Russia last week were 0% of the maximum



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	57.30
NP Area FI - NP System	5.53	3.78	2.81	5.10	17.09	10.03	18.18	0.03	12.87
NP Area SE1 - NP System	2.04	1.43	0.24	-1.00	3.46	-19.82	-76.80	-16.47	-10.02
NP Area SE2 - NP System	2.04	1.43	0.24	-1.00	3.46	-19.76	-73.92	-16.47	-9.94
NP Area SE3 - NP System	2.32	1.83	0.55	-0.58	10.26	3.69	-6.66	-4.74	-2.43
NP Area SE4 - NP System	2.62	2.77	2.37	0.86	14.94	18.21	16.24	8.44	1.63

*Average of 1.1.2024-9.4.2024.



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