

PERHAPS THE LAST OF THE SPRING NIGHT FROSTS IN THE NORDICS, GEOPOLITICAL SITUATION FAR FROM CHILLY

Forecast for the week 16:	
Base Quarter Q3-2024	📈 Bullish (> 2 %)
Year product Front year 2025	📈 Bullish (> 2 %)
NP System	📈 Bullish (> 2 %)
NEDEC 2024	↔️ Sideways (± 2 %)

FORECAST FOR THE WEEK 16

POWER FUTURES

A week ago, the hydro balance was forecast to reach a level of about -2 TWh compared to normal, with the drying of the last few days, the level is forecast to decrease from the current level of about -4.5 TWh to -5.5 TWh, down by about 1.5 TWh compared to Friday's situation. The week's economic news flow is expected to be slightly quieter than in the previous week, with official inflation figures for March from the euro area and the first sentiment figures for April from Germany.

Front quarter

For Q3, the impact of German electricity, which has risen due to dry weather and higher fuel prices, has not, in our opinion, been fully reflected in the price development of the product, and as part of the strong uptrend, buy signals were seen in the technical picture. We consider it likely that the rise will continue during the course of the week, a clearer downside signal could come in the form of a correction movement as the situation progresses to overbought or, for example, if fuels undergo a downward correction.

Annual products

For the 2025 product, the picture is similar to Q3, the increase has been strong, and we think the price difference with Germany is supportive of the product price. In the technical picture, the price level has already progressed to the potentially overbought area and whereas a correction may still be possible in a rather weak demand picture, we consider an upside more likely as the current geopolitical situation unfolds. In our opinion, a possible weakening of the demand supply situation for 2026-2027 products compared to other years could break out as soon as the economic situation shows signs of improvement, for example due to the publication of the Purchasing Managers' Index or sentiment figures or the like in coming weeks, we consider the rise in prices of later years both justified and expected. Even if the geopolitical situation calms down, we consider it justifiable to achieve climate targets at a price level that motivates new capacity. As a whole, we expect a cautious bullish picture for the 2025 product at Friday's price level, with limited room for a rise, however.

SPOT MARKET

At the beginning of the week, a fault was detected in Estlink 1, which is still in use, and UMM estimated that it would be repaired during the same day. The weather is expected to become cooler compared to the previous week and wind power production is expected to average lower than the previous week, no significant changes in the nuclear power situation are expected during the week. We expect a more expensive spot price level than last week.

EMISSION ALLOWANCE

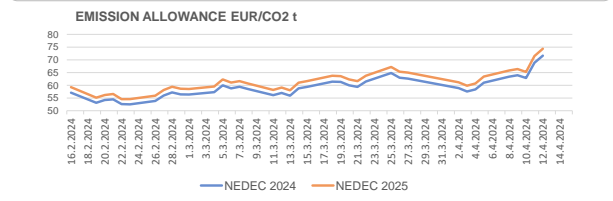
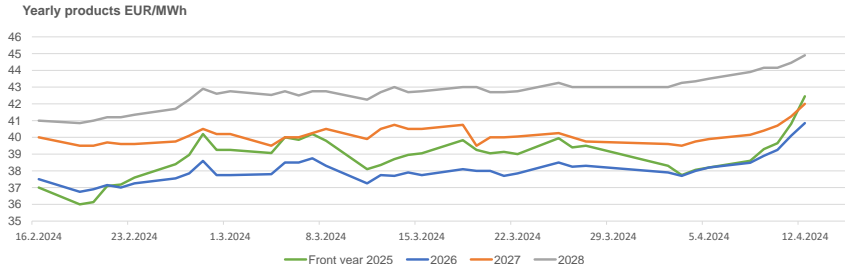
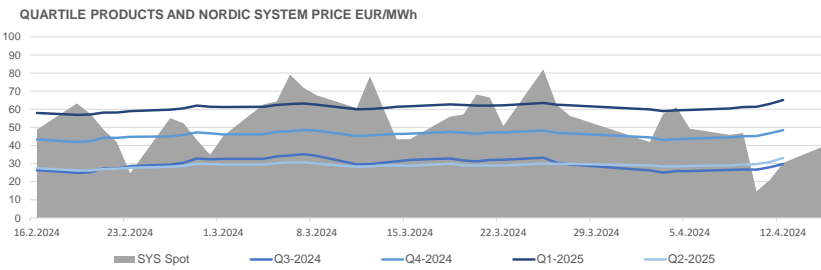
Wednesday's CoT is eagerly awaited on the emissions allowance market. If the rise has not been caused by a change in the positions of investment funds, this may come as a somewhat surprise to the market and the rise may be for other reasons – however, we consider it likely that positions will decrease and that buybacks have pushed the price level up. However, the rise showed market uncertainty by exceeding the upper end of the bullish margin we estimated, despite the predominance of still weak economic fundamentals in the current situation. In addition to the possibility of a rise, we also consider a return to a lower level possible as a continuation of the rise due to the closing of positions, we expect a range of €63-€75/t, as a whole compared to last Friday's price, we reiterate our neutral view due to conflicting expectations.

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	12.4.2024	29.75	15.1 %	3.90
2nd Q: Q4-2024	12.4.2024	48.50	10.8 %	4.72
3rd Q: Q1-2025	12.4.2024	65.10	9.2 %	5.50
Q2-2025	12.4.2024	33.15	15.5 %	4.45
Front year 2025	12.4.2024	42.45	11.1 %	4.25
2026	12.4.2024	40.85	6.9 %	2.65
2027	12.4.2024	42.00	5.3 %	2.10
2028	12.4.2024	44.90	3.2 %	1.40
2029	12.4.2024	45.00	2.5 %	1.10
NEDEC 2024	12.4.2024	71.64	17.4 %	10.63
NEDEC 2025	12.4.2024	74.37	17.3 %	10.95

EPAD settlements	12.4.2024 €/MWh	2025	2026	2027
FI - NP System		5.35	2.05	0.30
SE1-NP System		-12.75	-13.38	-9.75
SE2 - NP System		-12.75	-13.38	-9.75
SE3 - NP System		-5.00	-3.00	-0.95
SE4 - NP System		6.00	6.00	7.25

SPOT week average:	Week avg	% chg	Chg (EUR)	Week avg
SYS Spot	43.55	-40 %	-17.47	26.08
FI Spot	39.86	-49 %	-19.56	20.30
SE1 Spot	36.86	-54 %	-19.82	17.05
SE2 Spot	36.98	-53 %	-19.51	17.47
SE3 Spot	36.99	-52 %	-19.39	17.60
SE4 Spot	42.36	-51 %	-21.46	20.90



COMMENTS ON WEEK 15 DEVELOPMENT

POWER FUTURES

The hydro balance outlook deteriorated during the past week. A level of about -2 TWh was expected for the two-week period, but on Friday the forecast had fallen to a level of about -3.5 TWh. Towards the end of the week, the geopolitical situation was estimated to have grown tenser, and this provided support on the fuel market. This was also reflected on the emission allowance market, which saw a sharp rise. US inflation figures for March were slightly higher than expected, whereas those for China were lower. As expected, the ECB kept its key interest rates unchanged.

Front quarter

Q3 continued to rise strongly from low of around €25/MWh seen on April 3, briefly reaching €30/MWh at the end of the week on Friday. The technical picture saw several buy signals with the 10- and 20-day moving averages crossing, as well as the MACD convergence, and the RSI did not end up in overbought territory.

Annual products

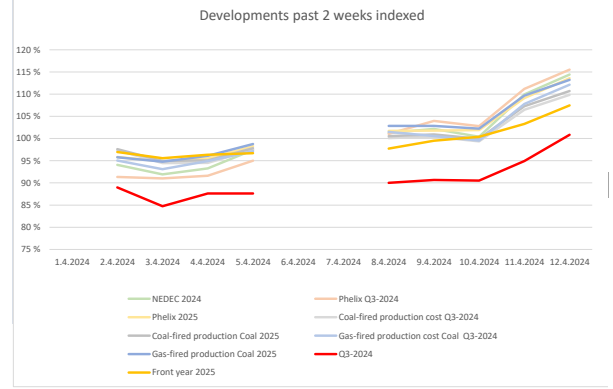
The 2025 product continued to increase from just under €38/MWh on April 4 to exceed the €42/MWh level at the end of the week. The technical picture already saw several buy signals in the previous week, last week saw a convergence of the 10- and 50-day moving exponential averages. The RSI ended the week near the overbought mark. The price of the 2025 product rose above the price level of the 2027 product, and the 2026 product continued to be the most affordable of the products. Later years saw an increase that we had long been waiting for from the perspective of new production investments towards a more realistic price level of north of €45/MWh. The rise in year products followed the development of condensate production costs (affecting them themselves, of course).

SPOT MARKET

After the average SYS price level of slightly under €50/MWh on the spot market at the beginning of last week, the rest of the week saw lower prices with stronger wind power production in mild weather with average prices over the weekend remaining below a level of €15/MWh. Nuclear power plants Forsmark 1-3 and Lovisa showed flexibility in times of affordable prices. Peaks in solar power production in the Nordic countries exceeded 2 GW last week, while daily flow rates remained stronger than usual last week. Oilkiluoto 3 announced a delay in the annual maintenance until April 28.

EMISSION ALLOWANCE

On the emission allowance market, last week showed strong price development. Prices were thought to have been supported by the tenser geopolitical situation, followed by higher gas prices. Closing short positions, for example, to reduce the risk level may also have been behind the rise, with some estimates speculating that the closure of positions was one of the factors accelerating the rise itself in the form of a short squeeze - the question is whether this happened deliberately by the actors or accidentally with some other rise. As a whole, however, the rise remained in line with the development of condensate production costs.



Forecast history	15	Chg	14	Chg
Base Quarter Q3-2024	15.09%	↑	-12.37%	↓
Year product Front year 2025	11.13%	↑	-3.29%	↓
NP System	-38.42%	↓	-12.67%	↓
NEDEC 2024	17.42%	↑	-2.56%	↓

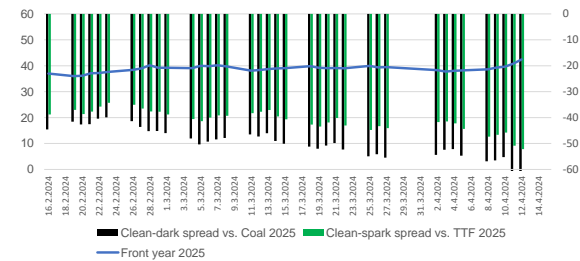
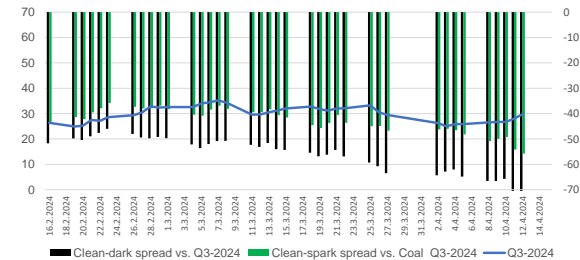
DETERMINANTS AFFECTING THE MARKET ON WEEK 16

RESTRICTIONS IN PRODUCTION AND TRANSMISSION CAPACITY

Oilkiluoto 3 (1600 MW), annual maintenance 1.3.2024-28.4.2024, in use 0 MW
 Oskarshamn 3 (1400 MW), annual maintenance 6.4.2024-1.5.2024, in use 0 MW
 Forsmark 2 (1118 MW), annual maintenance 21.4.-18.5.2024, in use 0 MW

FI-EE, EE-FI (1016), failure 25.1.-31.8.2024, in use 358 MW
 SE1-FI (1500 MW), maintenance 30.11.2023-1.3.2025 in use 1200 MW
 FI-SE3 (1200 MW), maintenance 26.2.2024-19.12.2024, in use 800-1200 MW, and 2.4.2024-9.5.2024, in use 200-600 MW, 15.-19.4.2024, in use 700 MW

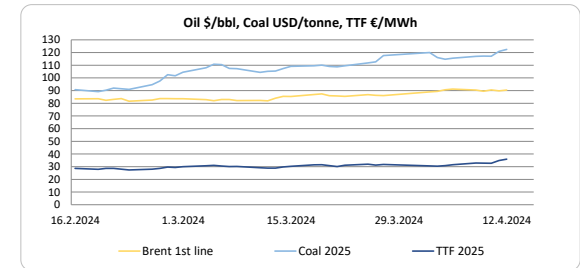
- Nordic nuclear power plant utilization capacity was this morning (Monday) 75%
 - RU-FI transmission has been out of use since May 2022 because of payment transaction issues, average imports from Russia last week were 0% of the maximum



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	55.17
NP Area FI - NP System	5.53	3.78	2.81	5.10	17.09	10.03	18.18	0.03	11.67
NP Area SE1 - NP System	2.04	1.43	0.24	-1.00	3.46	-19.82	-76.80	-16.47	-9.97
NP Area SE2 - NP System	2.04	1.43	0.24	-1.00	3.46	-19.76	-73.92	-16.47	-9.86
NP Area SE3 - NP System	2.32	1.83	0.55	-0.58	10.26	3.69	-6.66	-4.74	-2.76
NP Area SE4 - NP System	2.62	2.77	2.37	0.86	14.94	18.21	16.24	8.44	1.16

*Average of 1.1.2024-16.4.2024.



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Source for data: Gasum, Tilastokeskus

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