

# Insights in European energy markets

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November showed that the energy markets need more than a cold snap to be frightened. In fact, despite below average temperatures in the second half of the month, calendar contracts dropped: The TTF lost 10% m-o-m, German power moved down by 12% and EUAs weakened by 7%. Norwegian gas supplied increased and LNG imports remained strong so that as of the start of December the EU gas storage levels are filled at 95%. Coal deliveries have been on the rise too, increasing the stock levels at the ARA ports.

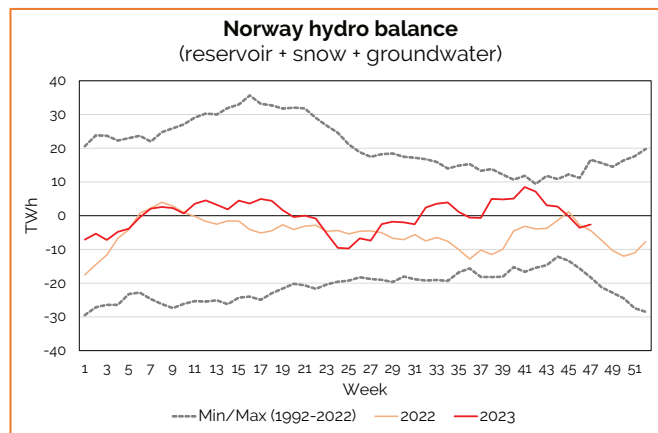
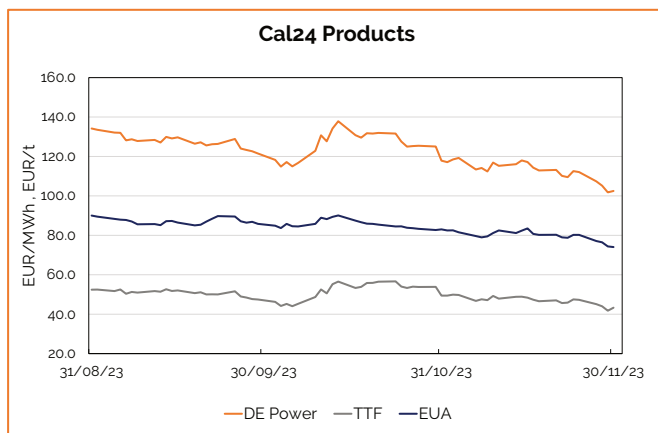
The electricity consumption in Europe increased by 7% m-o-m driven by the heating demand and averaged higher than last November but was still 5% below the 5-year average of pre-crisis levels. Zooming into the electrification of the transport sector, Norway remains the leader. Year-to date, 82% of new car sales were electric

These statistics are much lower in the main EU economies, around 25% in Germany and France, fairly stable y-o-y.

On the hydro front, the Alps had another month with significant rainfalls. Dams and run-of-river plants produced close to twice the electricity volumes generated in November last year and reservoir levels remain well above the average in the Alpine markets. In the opposite way, last month was dry in the Nordics which eroded the hydro balance and turned it into a deficit.

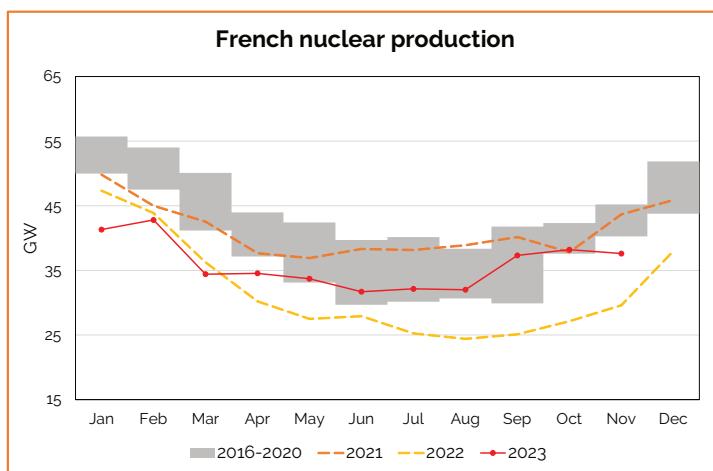
Looking into December, the latest weather forecasts favor a regime flip towards a positive North Atlantic Oscillation, likely to bring milder than normal temperatures together with windy conditions and should weigh on spot prices.

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Source: EEX, ENTSO-E, KYOS Energy Analytics

On the political scene, it is worth mentioning an outcome from the first week of the COP28: Apart from Spain and Switzerland, all European countries that currently rely on nuclear power signed the declaration to triple the global nuclear capacity by 2050, committing to mobilize investments for and support the construction of nuclear power plants.



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