

Energy Market Update Sep-26

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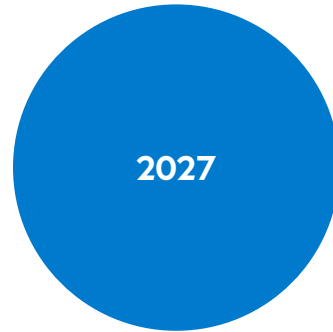
Is this 2022 all over again – or a spike that fades?

The honest answer depends on three clocks, ticking at different speeds.

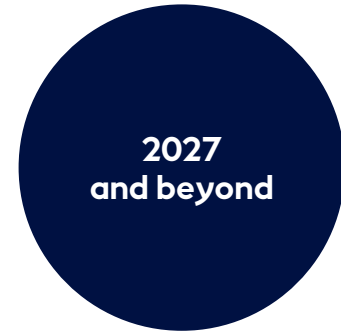
Three clocks decide where prices go from here



Low storage, Hormuz still shut, a thin buffer against cold weather



Two pivotal events: does Hormuz reopen, and Russian gas is switched off by law



A record wave of new LNG – delayed by the war, not cancelled



28 February 2026: the Strait of Hormuz closes

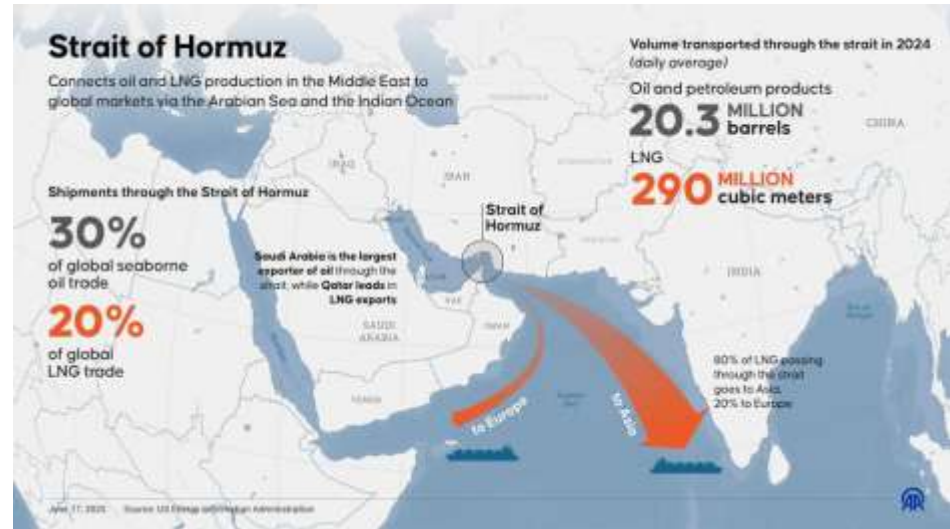
~20 %

of the world's LNG is loaded behind the strait
(Qatar, UAE)

Day 200

of closure today (16 Sep 2026)

- Qatar's exports collapsed to ~4 % of normal in Q2 2026
- One brief reopening (21–22 April) lasted less than 24 hours



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THE Gas Day Ahead



A smaller supply shock than 2022 – but the easy demand cuts are taken

2022: Russia

~80 %

of Russian pipeline imports lost

Russia was ~40–45 % of EU gas imports

2026: Hormuz

~20 %

of global LNG supply locked behind the strait

LNG is ~45 % of EU gas imports

Shock to EU supply

2022: ~1/3 of imports

2026: <1/10 of imports

...if Europe lost its proportional share. In practice Europe keeps its LNG by paying more than Asia – so the shock arrives as price, not as physical shortage.

The catch: EU gas demand is already ~20 % below 2021

Industry has switched, closed or moved; households have cut; coal and renewables have displaced gas in power. The first 20 % of demand destruction was the cheap part – the next 20 % would have to come from what is left, at a much higher cost.

Sources: Bruegel /; IEA; CSIS.

Where we are your power price today

€ 257

DK1 day-ahead, 14 Sep
2026 (€/MWh)

€ 258

DK2 day-ahead, 14 Sep
2026 (€/MWh)

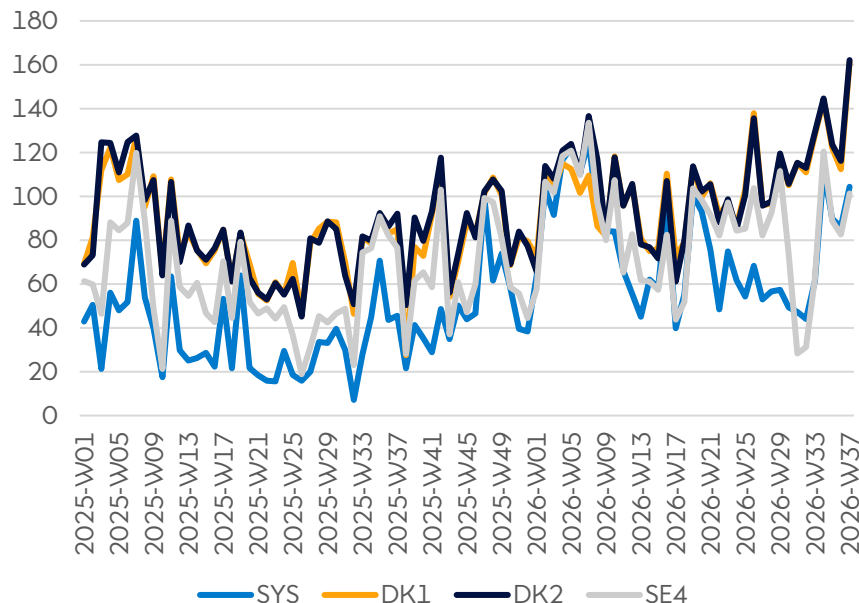
€ 270

SE4 day-ahead, 14 Sep
2026 (€/MWh)

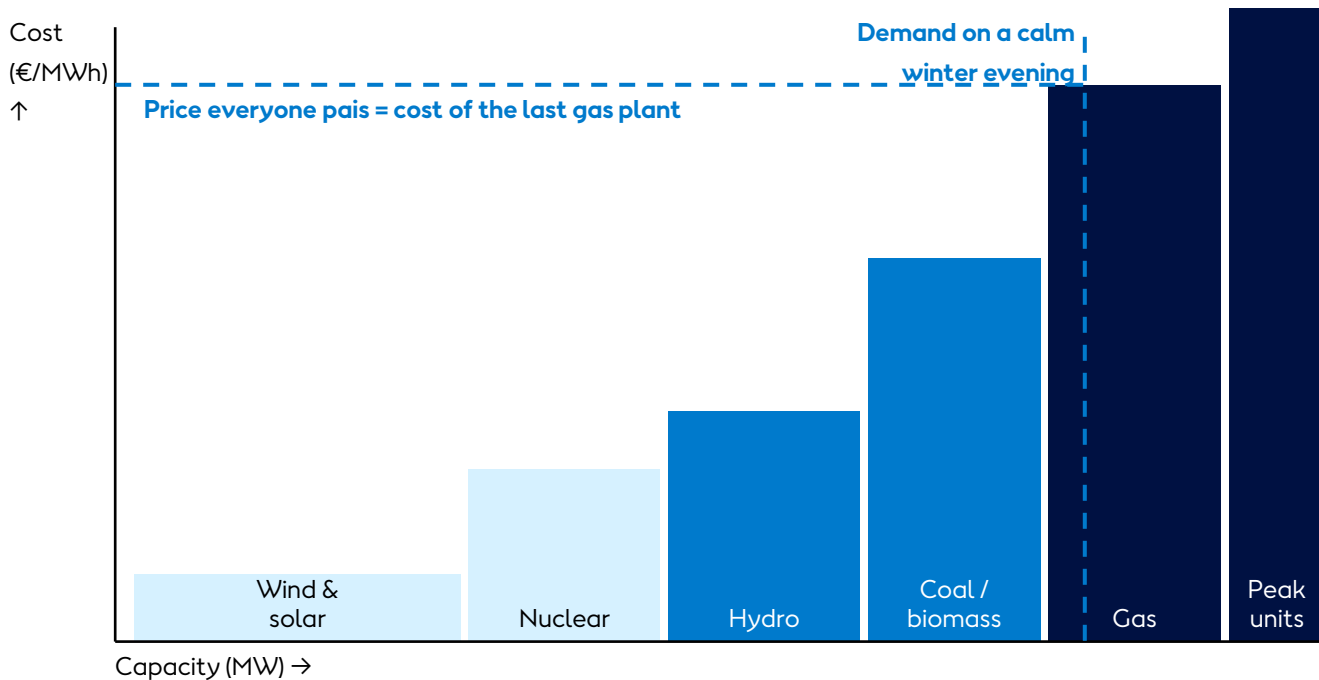
Significantly higher than last
year's levels

Source: Nord Pool day-ahead prices, 14 September 2026.

Spot prices (weekly averages)



Why gas sets your power price – even in Denmark



The mechanism

- Cheapest plants run first; the last plant needed sets the price for all
- In DK1, DK2 and partly SE4 that last plant is very often gas-fired – here or in Germany
- So, a gas shock becomes a power shock, even in a wind-rich country
- Hydro-rich zones (SE1, SE2, NO north) are somewhat shielded – hence the north–south gap

Illustrative merit order.

Clock 1

This winter 2026/27

Gas costs ~2.5 times what it did the day before the shock

€ 31.5

TTF front-month, 27 February 2026 (€/MWh)

€ 83

TTF front-month, 14 September 2026
(€/MWh) – highest since December 2022

- Peaks in March; a brief dip to ~€ 43–44 during the April ceasefire
- August averaged ~€ 62 – the September rally came with renewed escalation and storage worries

Source: ICE Endex TTF via LSEG Eikon..

TTF Gas Front Month



Power costs ~2.2 times what it did the day before the shock

€ 78

DFK1 front-month, 27 February 2026
(€/MWh)

€ 168

DK power front-month, 14 September 2026
(€/MWh) – highest since Jan 2023

- Was late to follow gas, but has since caught up with gas

DK Power Front Month



Source: NordPool.

The buffer is thin: EU gas storage is ~68 % full

68 %

EU storage fill, 13
September 2026

-16 pp

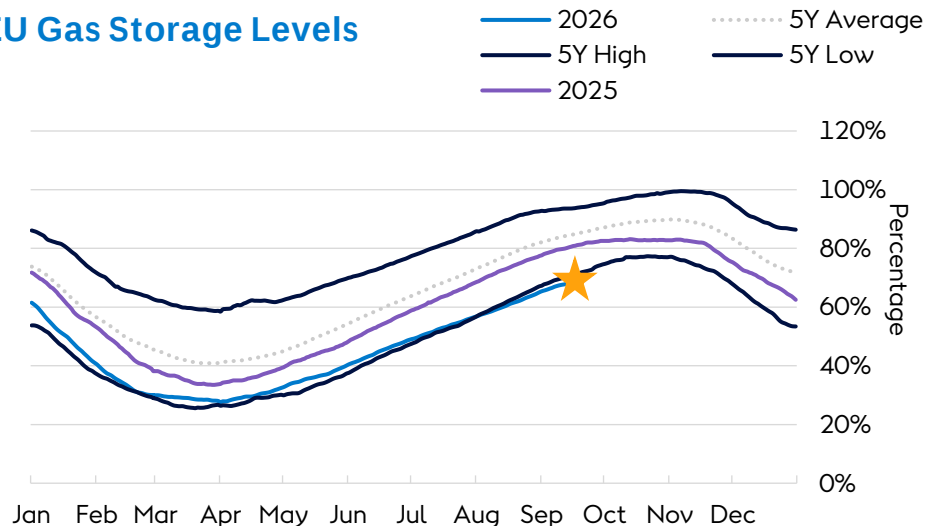
vs the five-year average
for the date

80 %

Relaxed EU filling target
for winter 2026 (was 90 %)

~753 TWh in store, ~14 bcm less than a year ago.
Injections in early September were among the fastest in
years despite the price – but analysts expect ~75 % at
the end of October, below even the relaxed target.

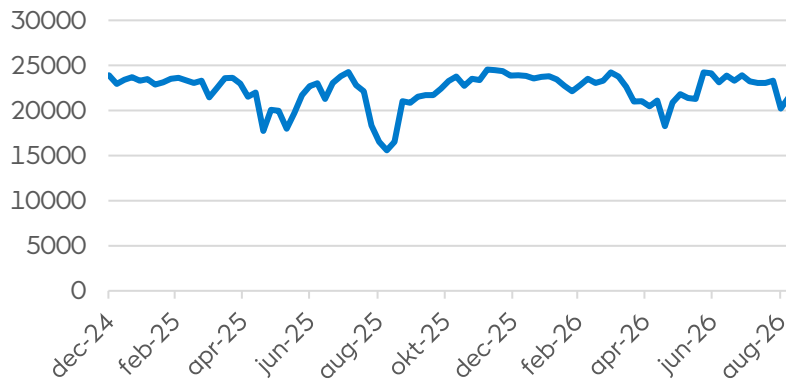
EU Gas Storage Levels



Sources: GIE AGSI+ (5–6 September 2026); ACER flexibility provisions.

Norway is at its ceiling, and Asia has been outbidding Europe

Norwegian flow

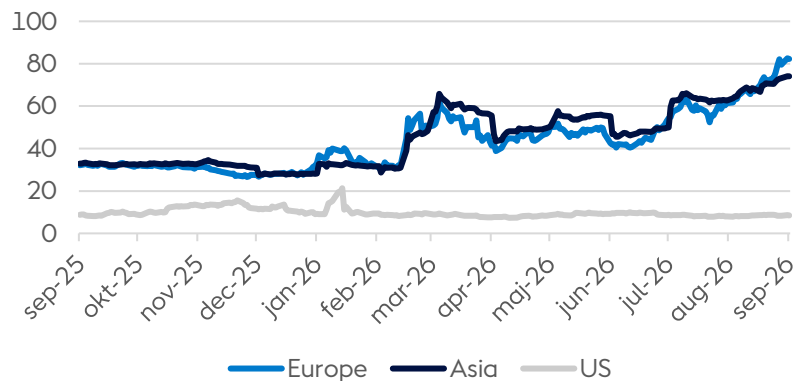


Norway: ~110–120 bcm in 2026

Close to the physical maximum (114.9 bcm in 2025). Autumn maintenance lowers capacity in September – no spare supply to call on.

Sources: Gassco; LSEG Eikon (JKM, TTF); IEA Gas Market Report.

Global gas prices



Asia: JKM ~€ 75/MWh

The Asian premium averaged ~ 6 EUR/MWh over TTF from March to June, pulling cargoes east. Price-sensitive buyers (Pakistan, Bangladesh, India) have been cutting demand.

Summer 2026: a fifth of French nuclear went offline in the heat

20.4 %

of French nuclear capacity unavailable on 12 August 2026

13 of 57

reactors shut or at reduced power

- Legal river-temperature limits (Rhône, Garonne) plus a jellyfish invasion at Gravelines – not safety failures
- French day-ahead briefly above € 300/MWh on 25 June; Germany and Italy at 3.5-year highs on 4 August
- Also, problems with power plants in other parts of Europe

Sources: EDF/RTE availability data



The Nordic hydro balance was deep in deficit – now improving

-37 TWh

Nordic hydrological deficit at its worst in H1 2026 (vs normal)

~20 years

Southern Norway reservoirs at their lowest for the season in about two decades

- Norway South ~-19 TWh by end-September; northern Sweden in surplus
- Less cheap hydro to draw on in winter → more hours where gas sets the price in the south
- Side effect: only 212 negative-price hours in DK1 so far in 2026 (482 a year ago) – hydro-short neighbors absorb the Danish surplus

Sources: NVE reservoir statistics; Energiföretagen; Energy Quantified.

NO & SE Hydrobalance



The Alp hydro balance is also low

-23 TWh

Current Alp hydrological deficit

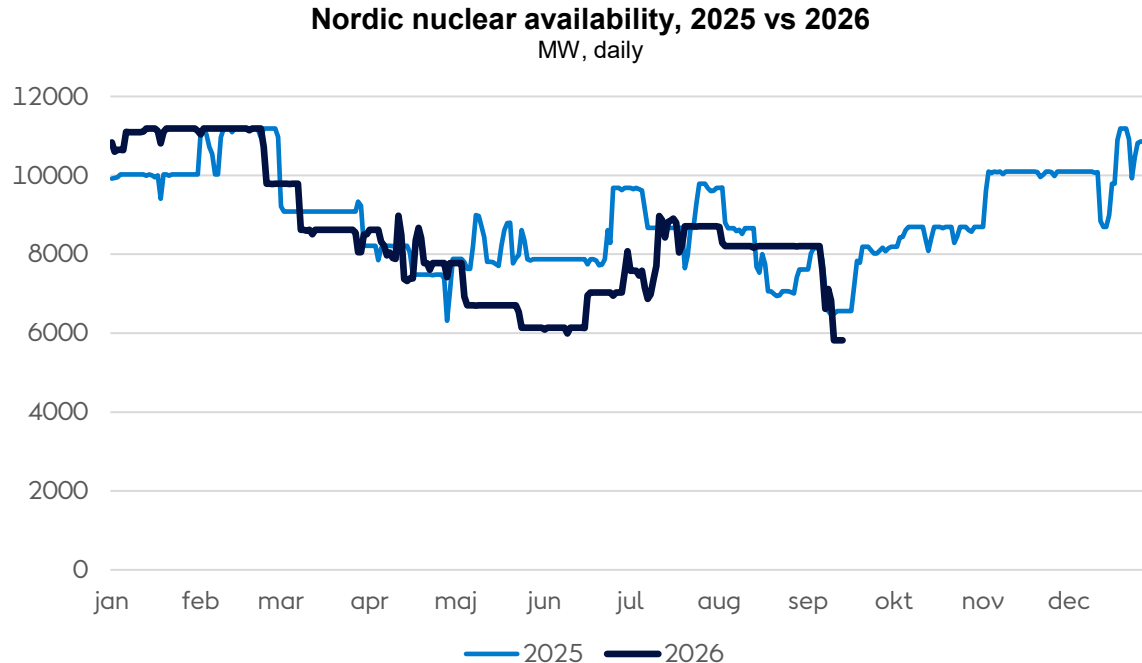
Added together, the hydrological deficit in the Alps and Scandinavia is at multi year lows

Alp Hydro balance



Sources: NVE reservoir statistics; Energiföretagen; Energy Quantified..

Nordic nuclear: less capacity available this winter than last



What to watch

- Ringhals 3 (1.1 GW, SE3) – due back 31 October
- Forsmark 1 – due back 17 November, overlapping the start of the heating season
- Ringhals 4 restart already slipped once; Forsmark reported turbine and valve faults in September
- Every week a unit is late, southern Sweden imports more – from Norway's low reservoirs or from gas-priced Denmark and Germany

Sources: Nord Pool UMMs / available capacity; Vattenfall and ODK announcements.

Winter weather is the biggest wildcard for Clock 1

Mild winter

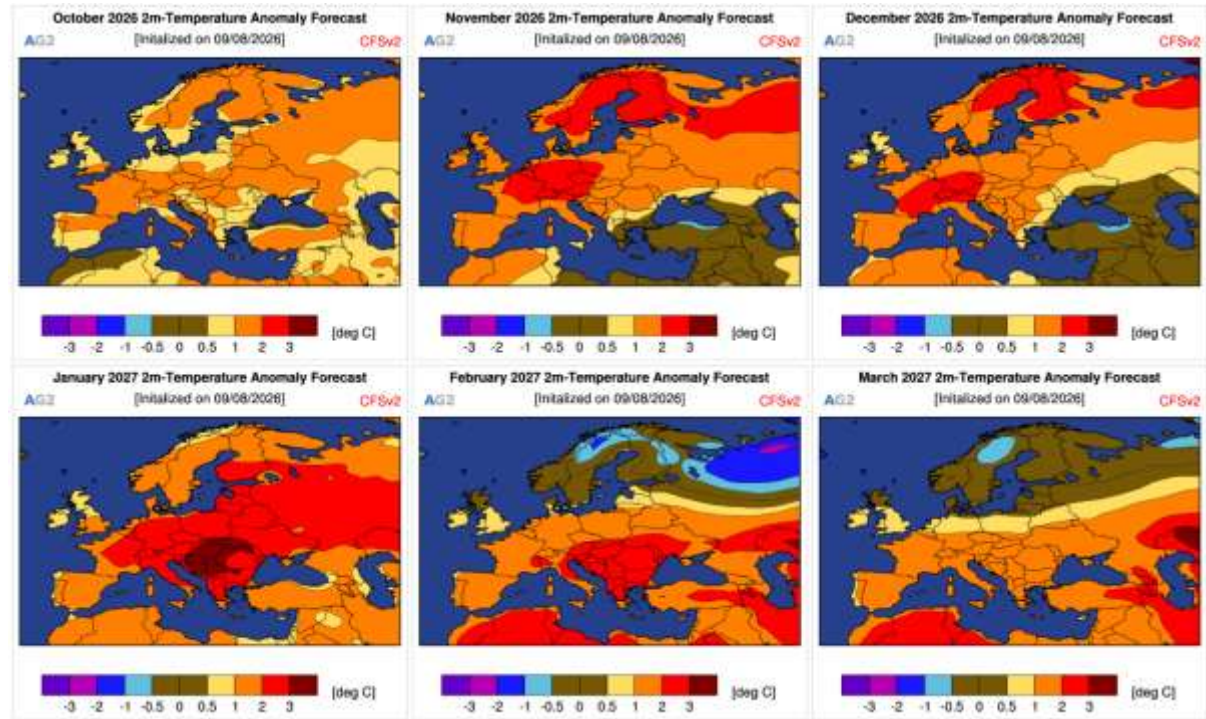
Storage ends March at a comfortable level; prices ease from current levels even with Hormuz shut

Normal winter

Storage runs down to low-but-manageable levels; prices stay elevated and volatile

Cold winter

Storage approaches critical levels by February; demand-side measures and price spikes back on the table



Sources: CFS

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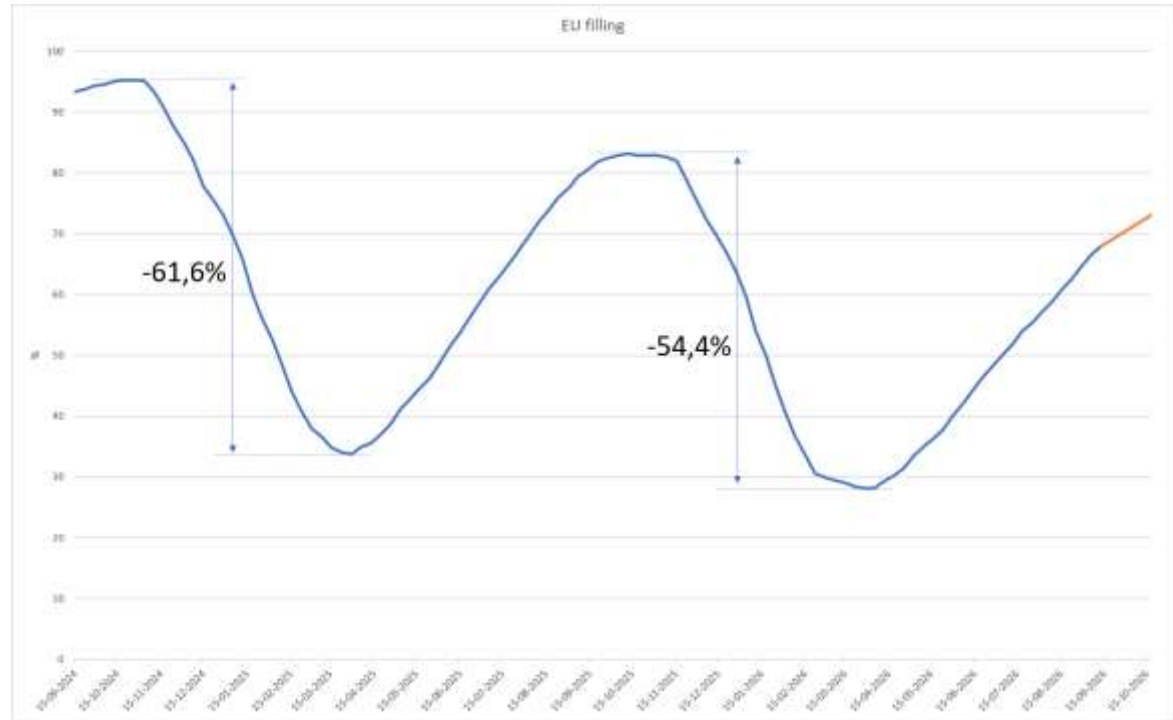
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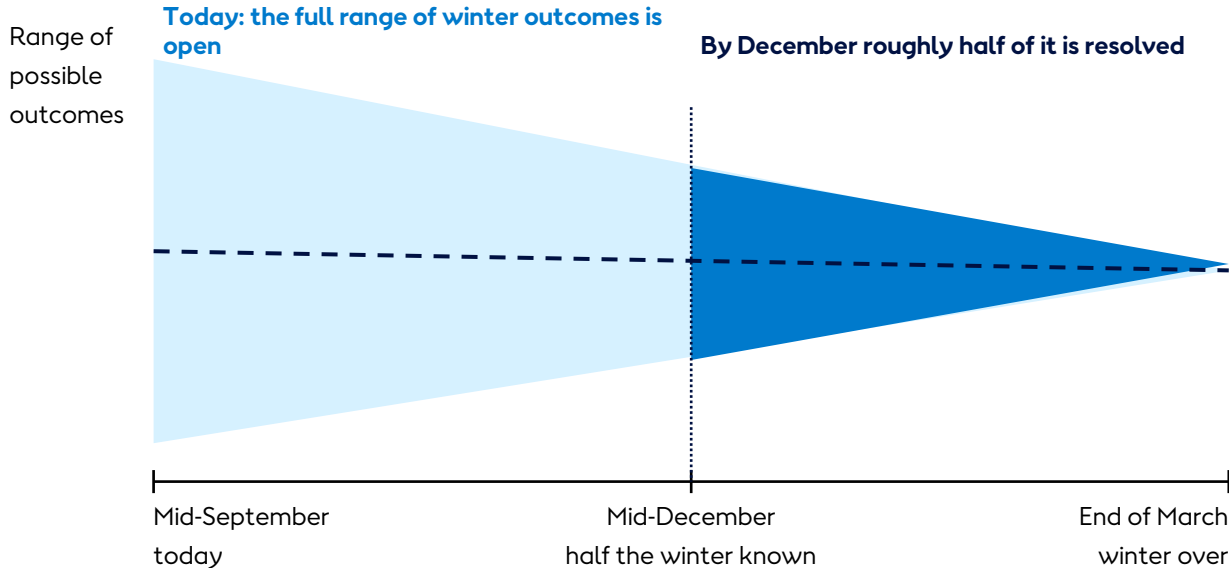
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Cold winter

Storage approaches critical levels by February; demand-side measures and price spikes back on the table



Right now the market has to price in the whole winter – that is the peak of uncertainty

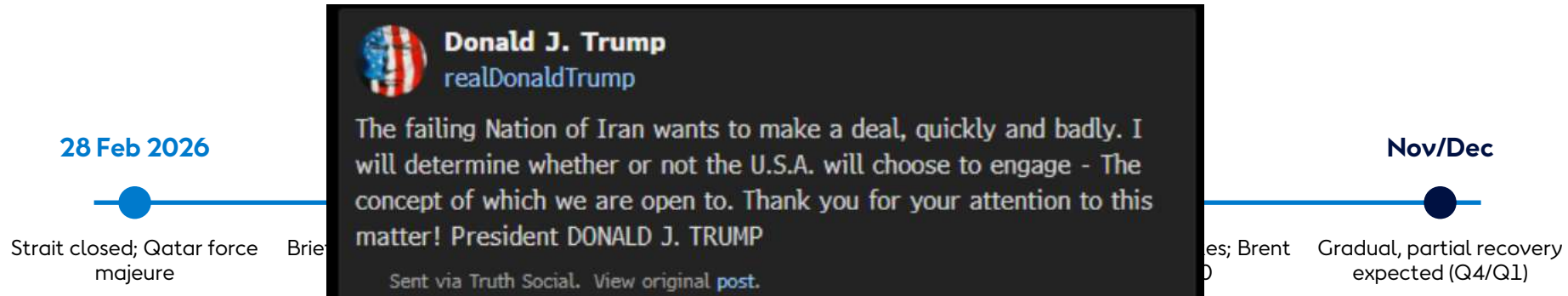


What it means

- Every uncertain winter month left in front of us carries a risk premium in today's price – and today all six are in front of us
- Three months from now about half the winter is known: mild, and the premium comes out; cold, and it is replaced by a higher price for the rest
- So: uncertainty is at its maximum now, but the direction it resolves in is not
- A cold first half of the winter is the scenario that lifts prices further from here

Clock 2 2027

Does Hormuz reopen? Central case: gradually, during Q4-26



What forecasters say

- BNEF: Early Nov reopening (gradually)
- US EIA: Middle East output not near pre-war levels until early 2027
- Energy Aspects: Qatar's recovery 'slow and uneven' – undamaged capacity ~64 mtpa of 77

Why it is fragile

- A signed deal already collapsed once (June → July)
- Damage at Ras Laffan and Mesaieed takes time to repair even after reopening
- Insurance and shipping normalise slowly – 'open' is not 'back to normal'

Sources: Goldman Sachs; US EIA STEO; Energy Aspects; CSIS; Reuters; BNEF.

The other 2027 event: Russian gas is switched off by law



What it means

- Europe's LNG appetite is locked in for 2027 regardless of Hormuz
- A Russia–Ukraine peace deal would NOT bring Russian gas back – the ban is law, not sanctions
- Russian gas to Europe is already down ~85 % since 2022

For prices

- Russian LNG could go to Asia, but that is a longer route
- Adds ~15–20 bcm of European LNG demand competing with Asia in 2027
- Makes the timing of the LNG wave (Clock 3) even more important

Sources: Council of the EU press releases (3 December 2025; 26 January 2026); Regulation (EU) 2026/261.

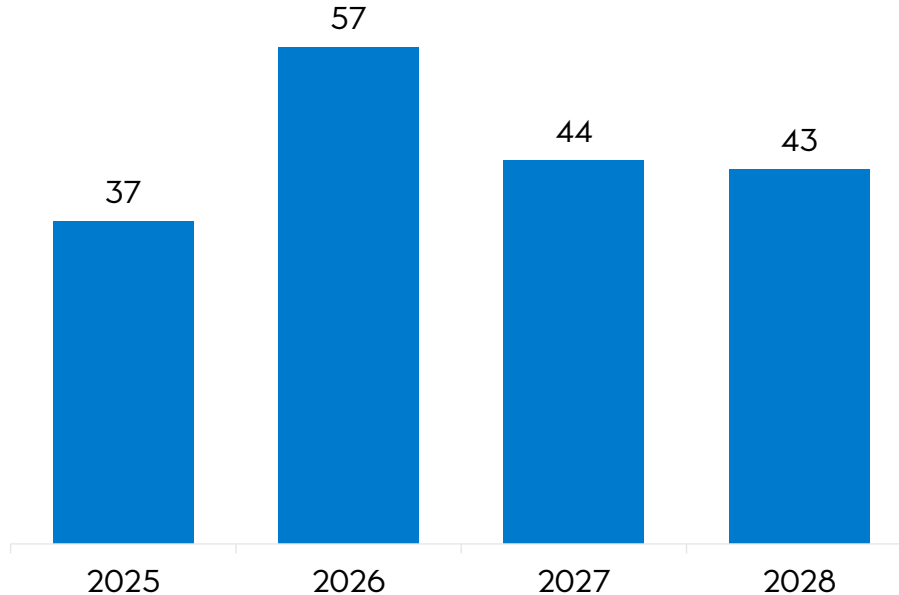
Two scenarios for 2027

	Hormuz reopens during Q4-26 (central case)	Hormuz stays shut into 2027
Global LNG	Qatari volumes return gradually; new US and Qatari trains land on top in 2027	~20 % of supply still missing; parts of Gulf capacity may be lost for good
TTF gas	Eases materially through H1 2027	Elevated and volatile; another difficult storage refill in Sum-2027
Asia (JKM)	Still competition between Asia and Europe for LNG, but higher overall availability	Fierce competition between Europe and Asia
Nordic power (DK1/DK2/SE4)	Gas still the most relevant driver for DK power prices (through German prices)	Gas still the most relevant driver for DK power prices (through German prices)
Key risk	A ceasefire that relapses – it happened once already	Planned Qatari supply increase postponed;

Clock 3 2027 and beyond

A record wave of new LNG is coming – delayed, not cancelled

Gross new liquefaction capacity starting up, by year mtpa – pre-war project schedule

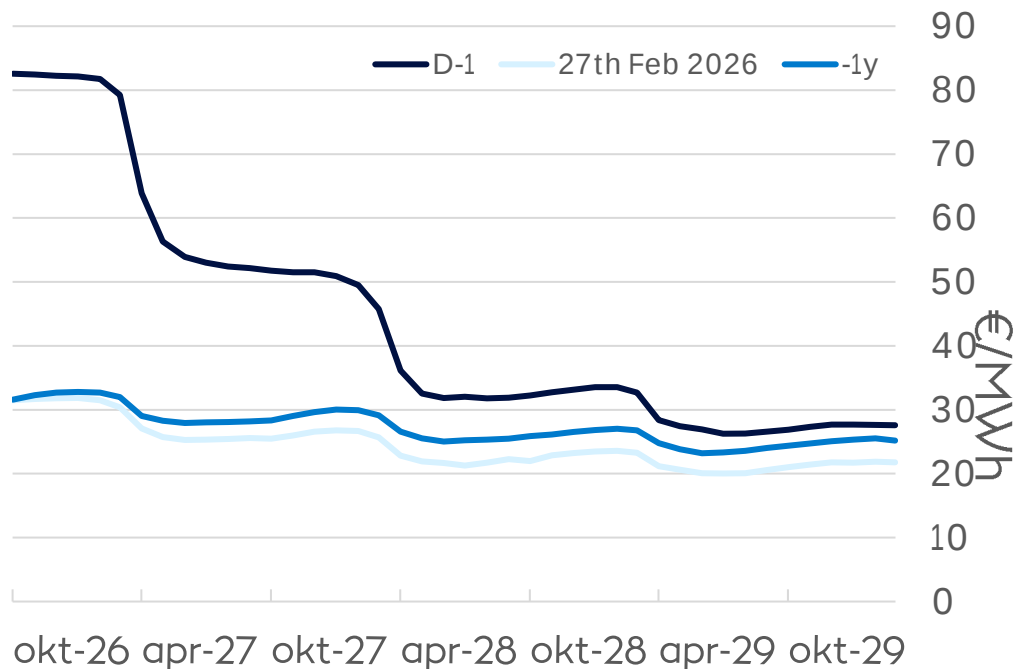


What changed with the war

- 2026 was set to be the biggest year ever (~57 mtpa) with a ~13.5% increase – but the Hormuz outage removed more than that (~35 bcm lost in Mar–Jun alone)
- Qatar's own 32 mtpa North Field East expansion slipped from 2026 into 2027
- US capacity still heads from ~95 to ~160 mtpa by 2027 (Golden Pass, Plaquemines, Corpus Christi 3, Rio Grande, Port Arthur)
- BNEF: global oversupply now from 2028 (was 2027). Wood Mackenzie: delayed, not eliminated.

Sources: IEEFA Global LNG Outlook; IEA Gas Market Report Q1 2026; BNEF (July 2026); Wood Mackenzie; Kpler. Pathway estimates.

What the forward curve is already telling you



How to read it

- Front of the curve ~€ 80: today's scarcity
- Cal-27 and Cal-28 sit far below the front: the market already prices a reopening plus the LNG wave
- Backwardation = you pay a premium for certainty now

Source: ICE Endex TTF futures via LSEG Eikon

Carbon puts a floor under power prices whatever gas does

€ 87.34

EUA six-month high, 14 September 2026 (€/t)

- High gas prices lead to higher coal burn in the power sector
- Market disappointed in lack of reforms to EU ETS from the EU.

Carbon - EUA



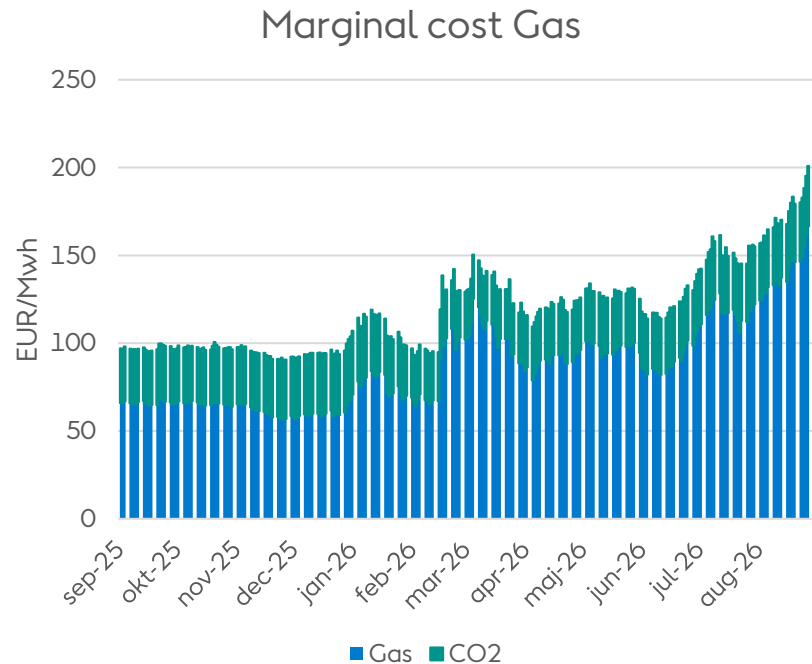
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Summing up

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This winter

What the market prices

- Prices high and volatile
- Storage thin; weather decides the tail
- Nordic hydro and nuclear give little relief

What could go wrong

- A cold winter
- Further escalation in the Gulf
- Unplanned nuclear outages

What to hope for

- A warm winter
- Reopening of SoH
- Hydro improvements across Europe

2027

What the market prices

- Curve prices gradual relief
- Russian gas ban locks in LNG demand
- Hormuz reopening is the swing factor

What could go wrong

- Reopening slips or relapses
- Slow repair of Qatari plants
- Weak storage refill next summer

What to hope for

- LNG glut felt in 2027
- Warm winter likely to affect 2027
- High solar and wind output

2027 and beyond

What the market prices

- LNG wave lands – surplus expected
- Gas much cheaper; carbon still high
- Nordic grid build-out (Bornholm ~2033)

What could go wrong

- Project delays or cancellations
- Stronger Asian demand
- New geopolitical shock

What to hope for

- Global gas markets go into surplus
- Added renewable reduces European gas demand

Three things to watch



1

Hormuz headlines

Any credible reopening – and any relapse. Tanker transits and Qatari cargo counts are the hard evidence, not statements.



2

EU storage into winter

Where we stand on 1 November (analysts: ~75 %) and how fast we draw down in December and January.



3

The weather

A cold, calm January in Northern Europe is the scenario that turns 'tight' into 'severe'.

//

Not 2022 all over again –
but a tight, expensive
winter that should ease
during 2027 and into
2028

Questions?

Thank you