

# CSEE Power market outlook for Q3\_25

## - key indicators

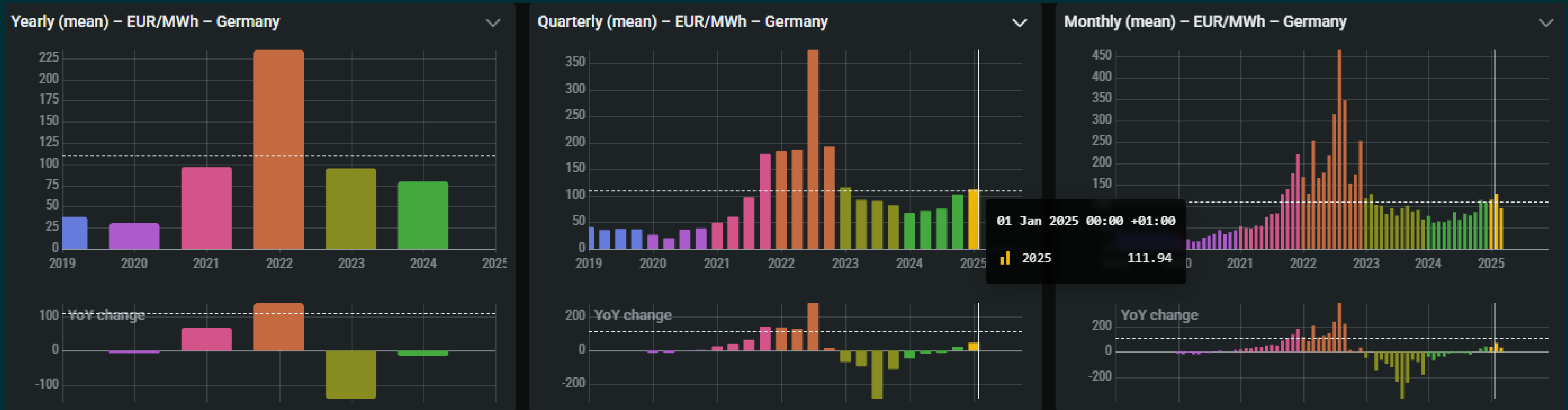
Montel CSEE Energy Day – 24.04.2025

Gábor Szatmári

# Agenda

- Takeaways from Q1
- Germany – Western European benchmark
- Location spreads of CSEE markets to Germany – reasons behind
- Correlations between markets – Q1.2024 vs Q1.2025
- Key indicators to watch for Q3 in CSEE
- Summary

# Q1 Overview – Germany:



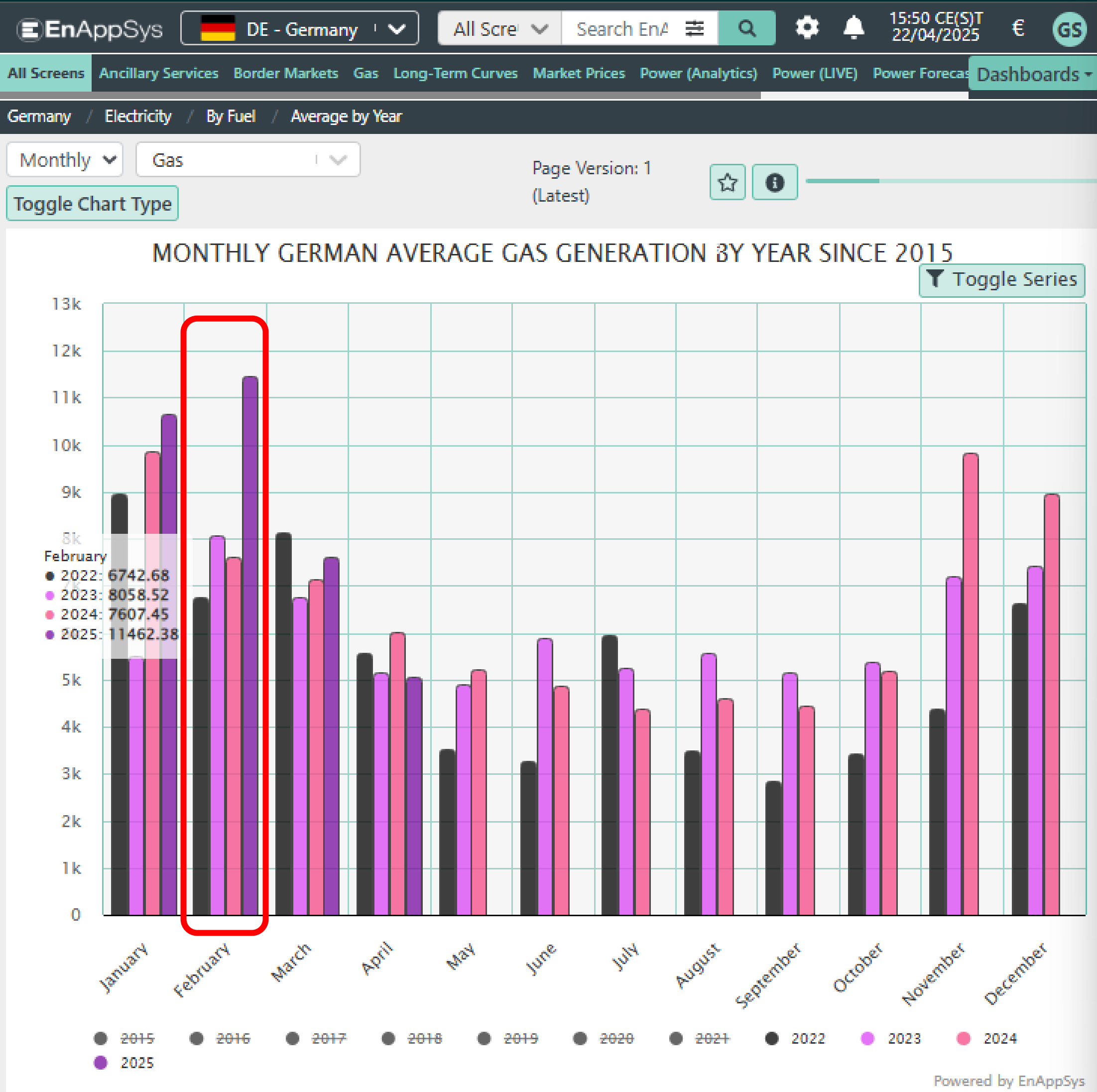
German spot power prices averaged 111.94 EUR/MWh in Q1 2025, which is 44.27 EUR/MWh (+65%) higher than in Q1 2024.

The first quarter brought a rare combination of cold weather, weak renewable generation, and surging gas demand across Europe, including Germany.

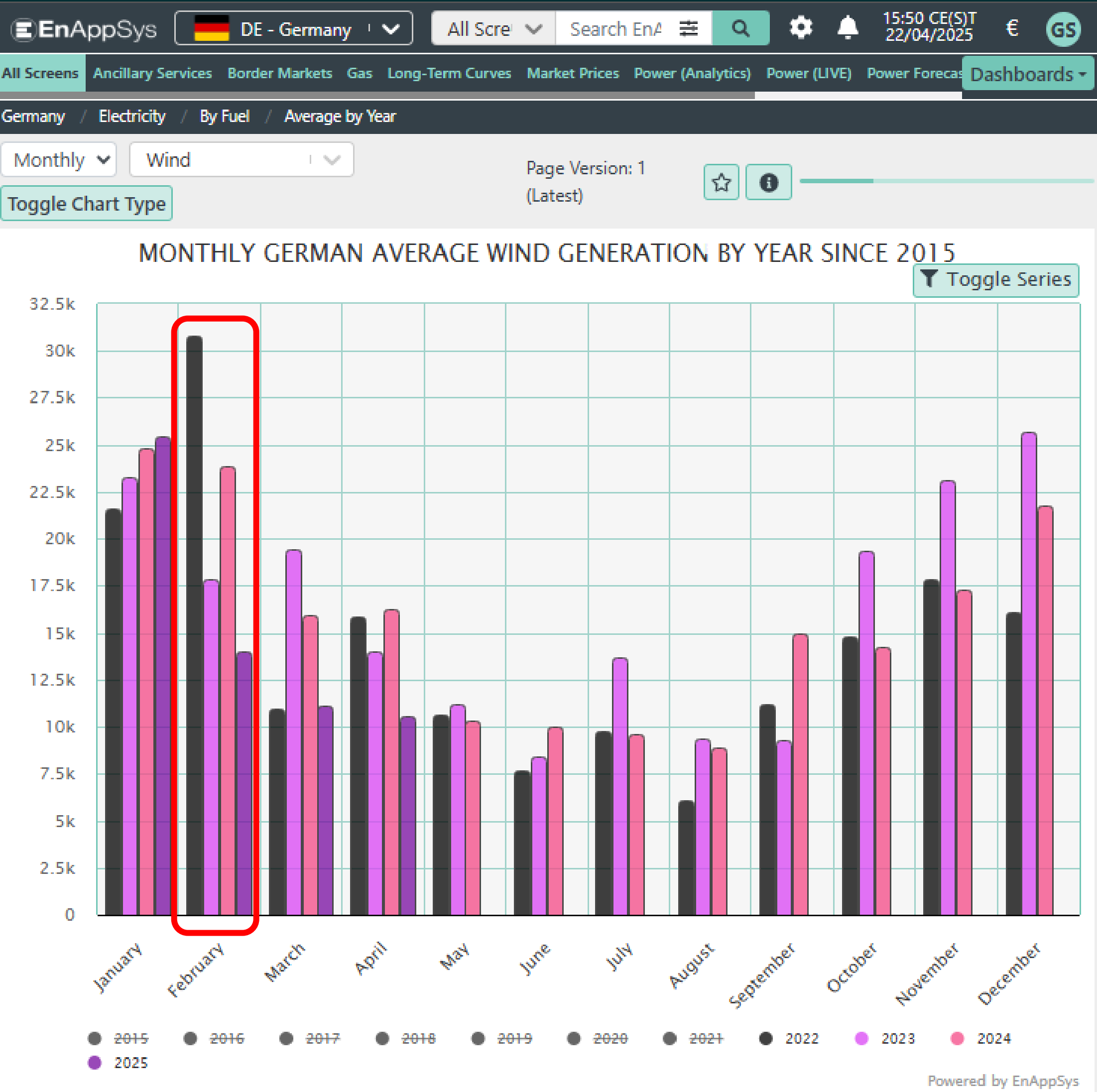
As a result of these factors and the shift in Germany's fuel mix, the country's net import position continued to grow.

In Q1 2025, average hourly net imports exceeded 2,100 MW, approximately 260% higher than the same metric in Q1 2024.

# Q1 Overview – Germany:

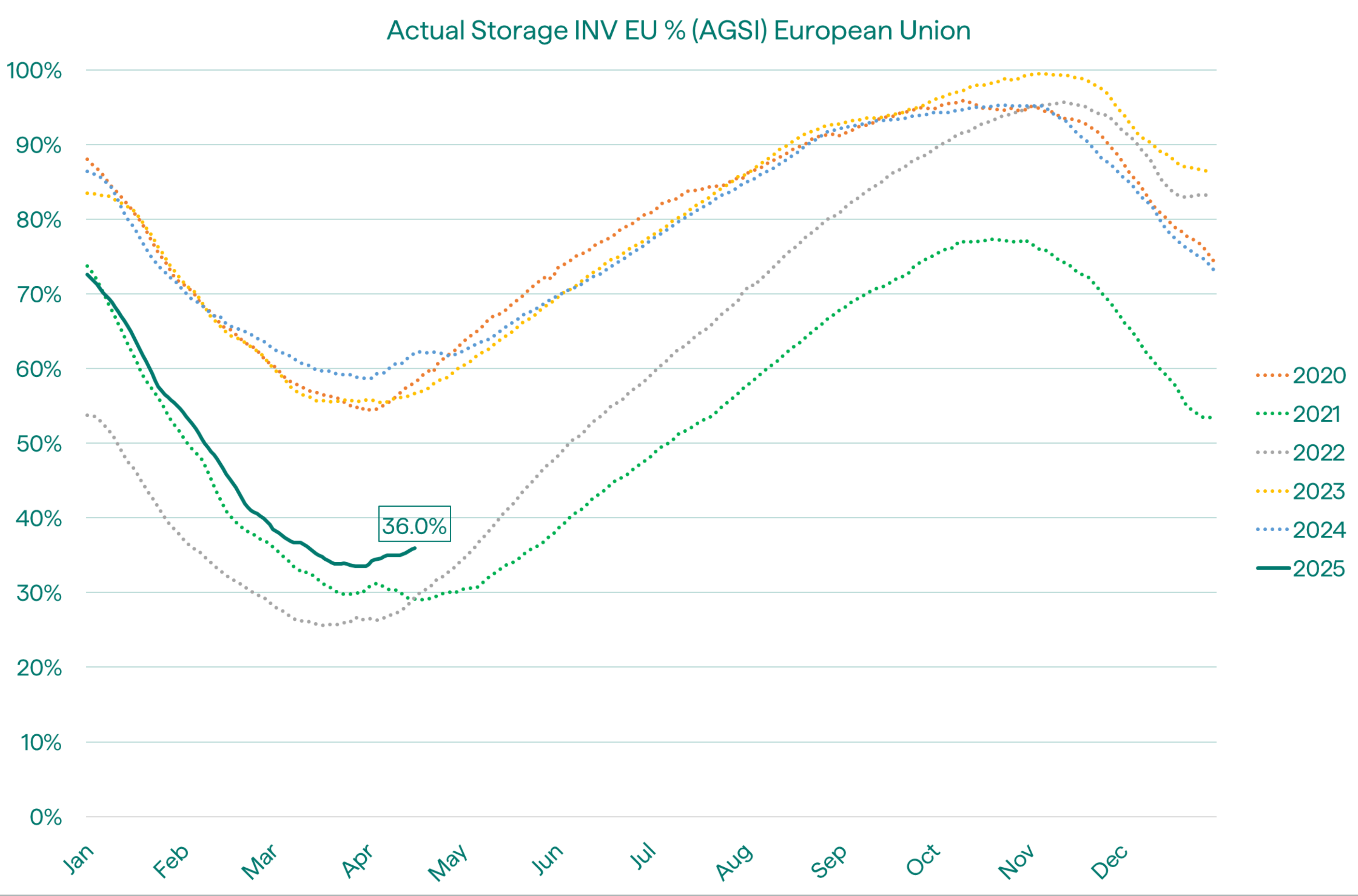


Power generation from gas 11.4 GW on average in February, ca. 50% above the year before.



Wind generation hourly average at 14 GW, down from 23.8 GW year on year. (-42%).

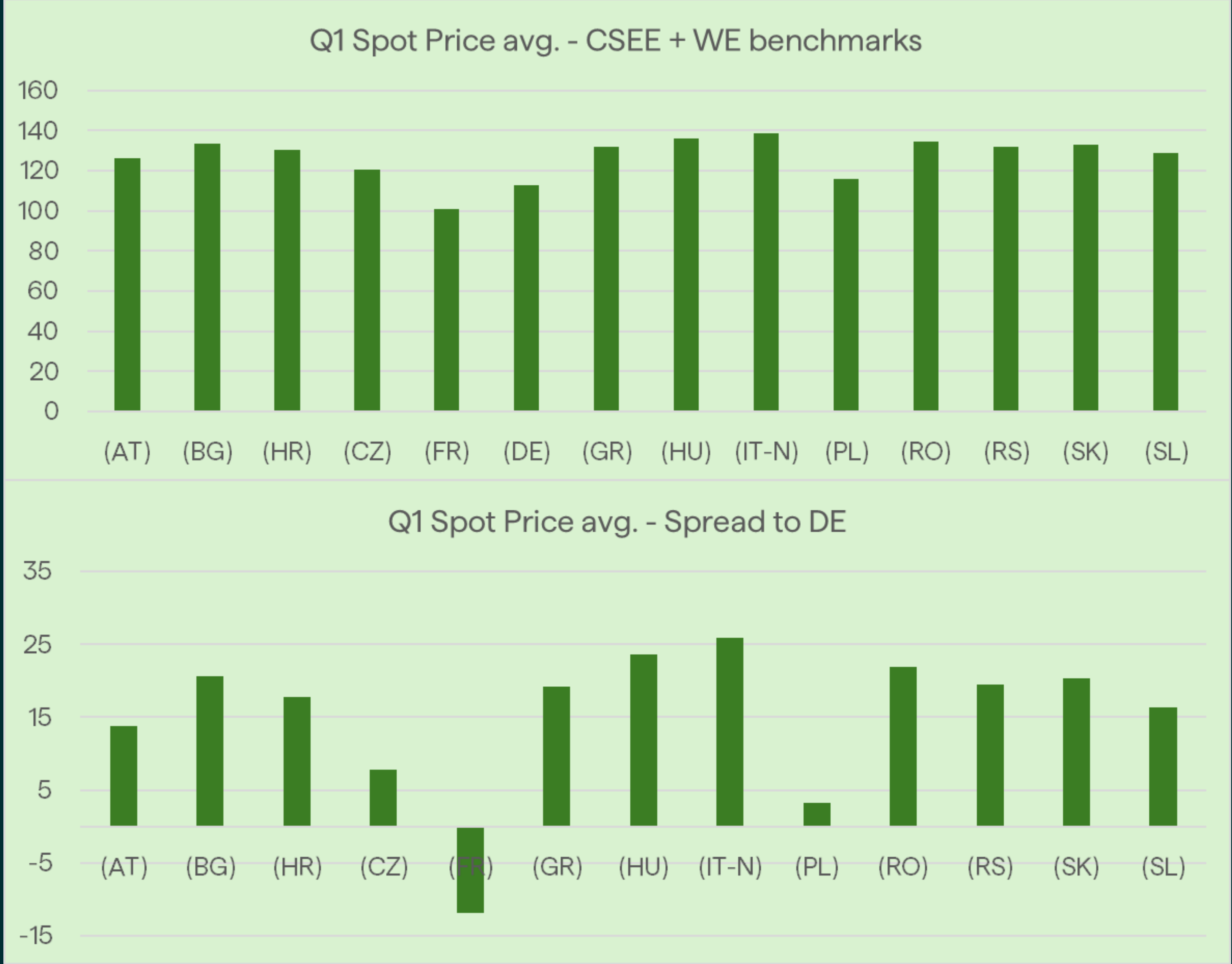
# Q1 Overview – Effects on Gas Market, Storage



Gas demand from heating and gas-to-power generation remained firmly above the two-year average, resulting in EU gas storage levels dropping to a low of 34% by the end of March.

This affected the price of future gas and power products.

# Q1 Overview – Q1 Spot prices on key markets for CSEE



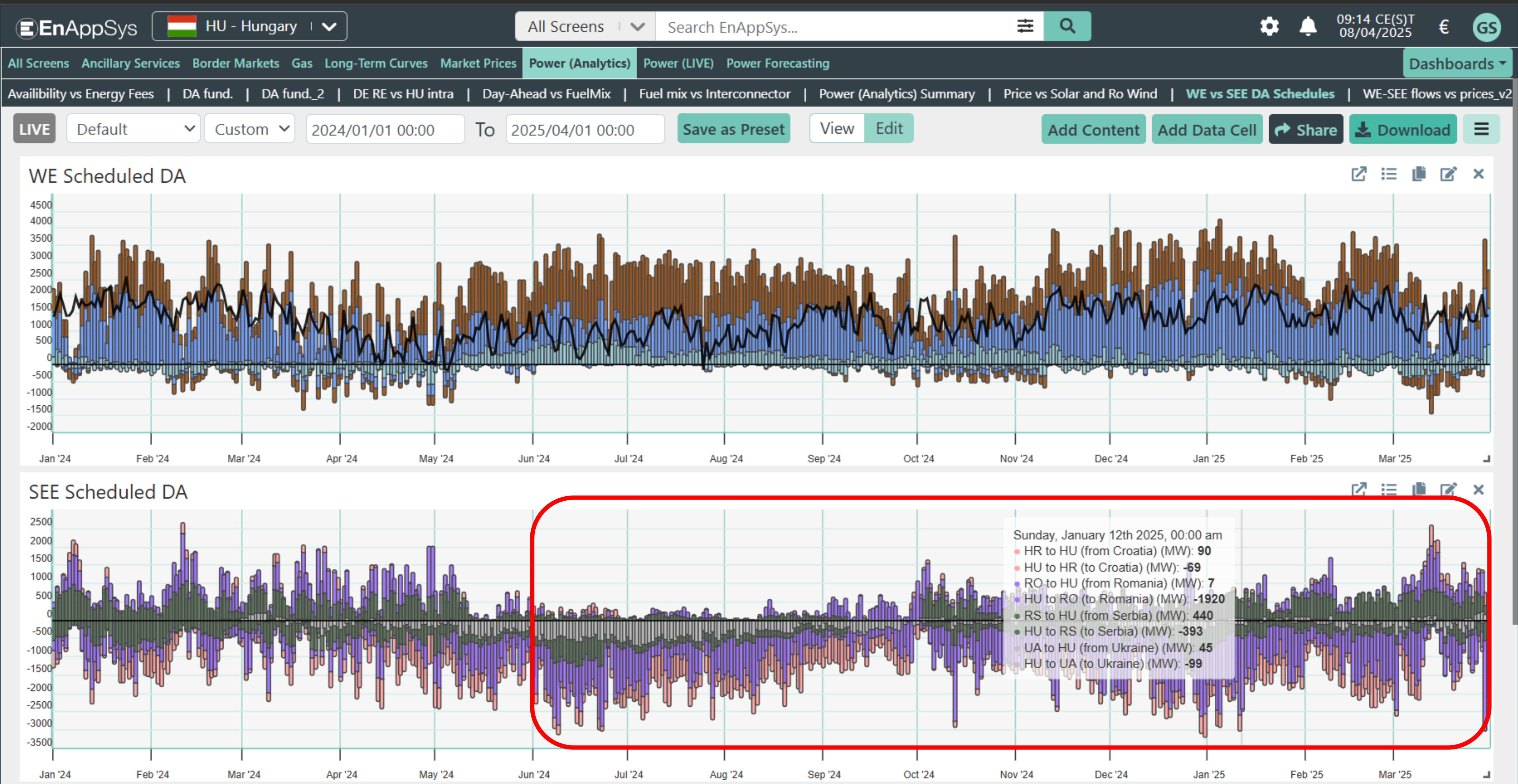
Markets East and Southeast from Germany cleared with a premium above Germany.

North-Italy was the most expensive with price 25.91 EUR/MWh above Germany, followed by Hungary at 23.57 EUR/MWh.

Hungary — the traditional benchmark for CSEE — signalled ongoing supply tightness in the region, continuing a trend observed since Q3 2024.



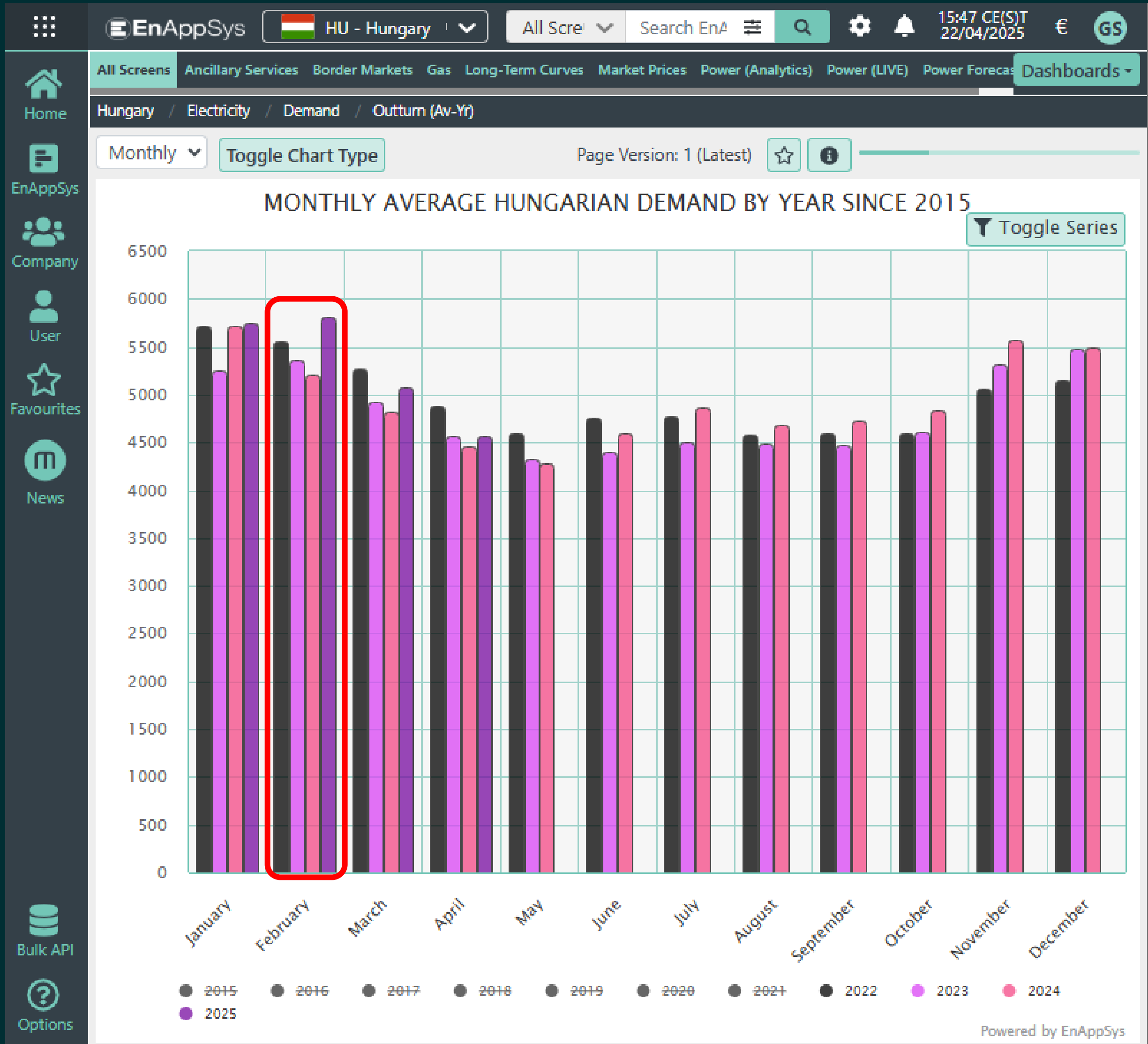
# Q1 Overview – Q1 Key fundamentals in CSEE



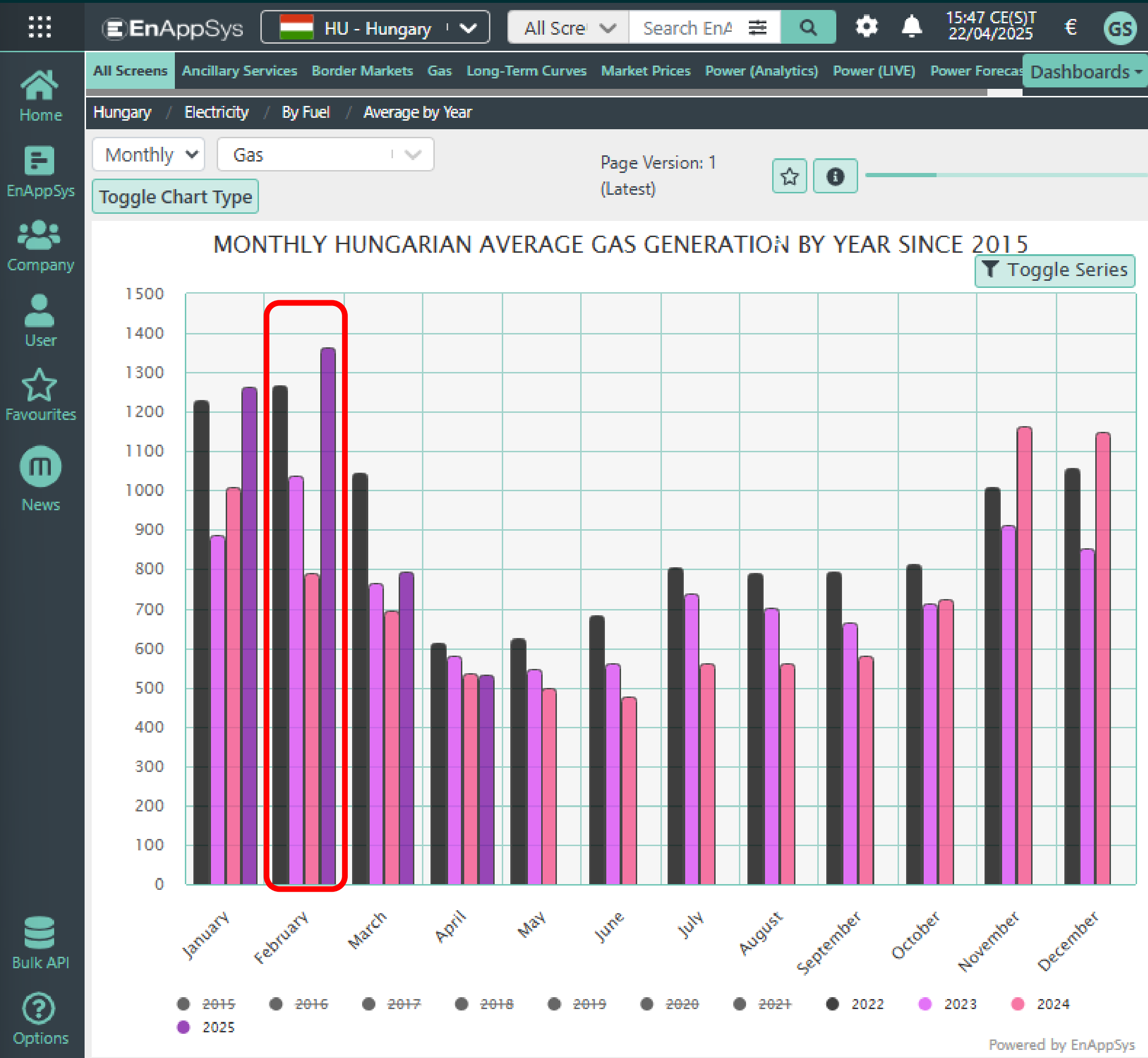
Hungary, traditionally a net importer of power, exported approximately seven times more to its eastern and southern borders compared to a year earlier — averaging 753 MWh.

88% of the exports were to Romania due to low level of renewable generation.  
(wind and hydro)

# Q1 Overview – Q1 Key fundamentals in CSEE - Hungary



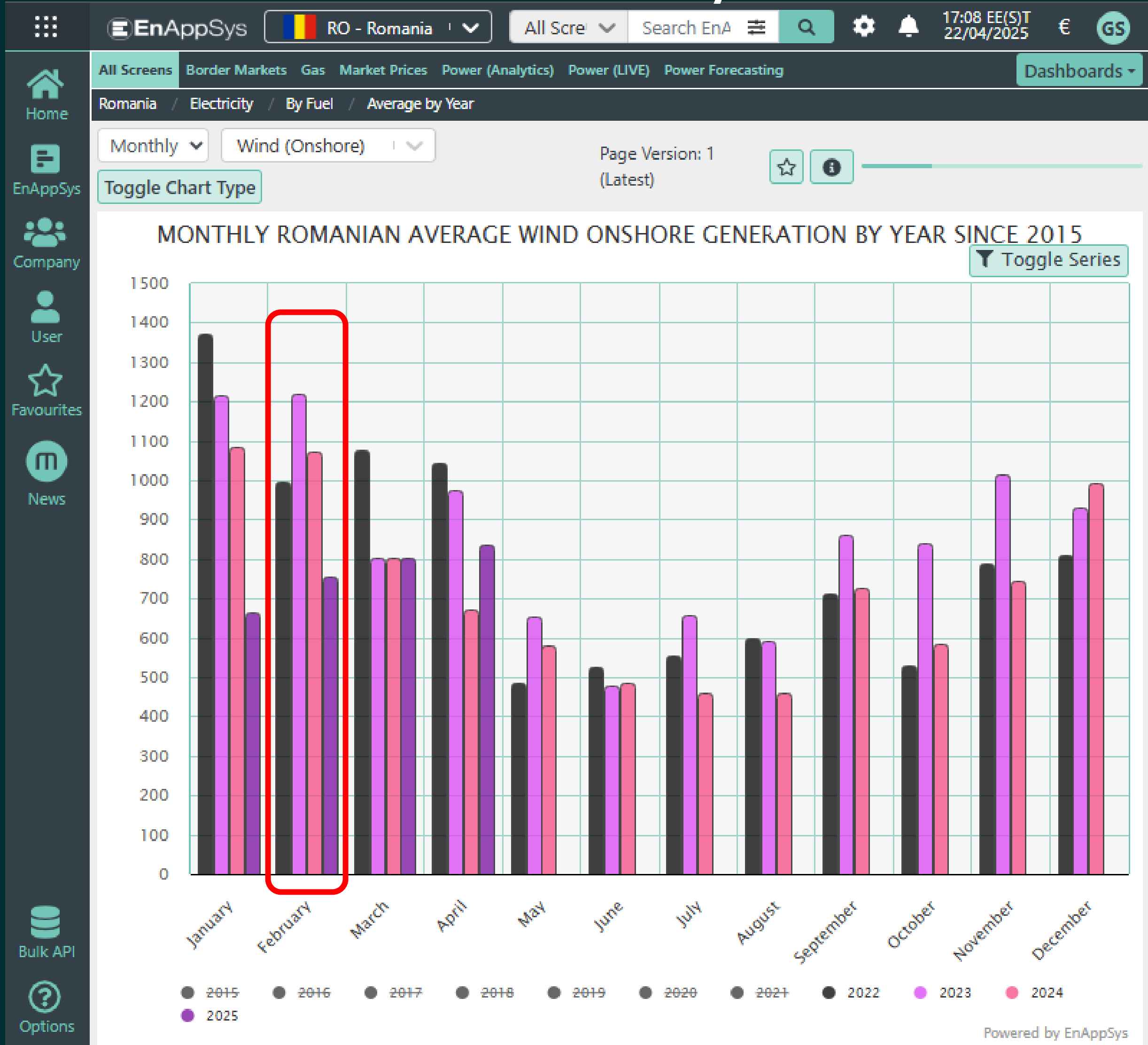
Hourly average demand was 5 809 MW in February 2025, up from 5 213 MW a year earlier (+11.5%)



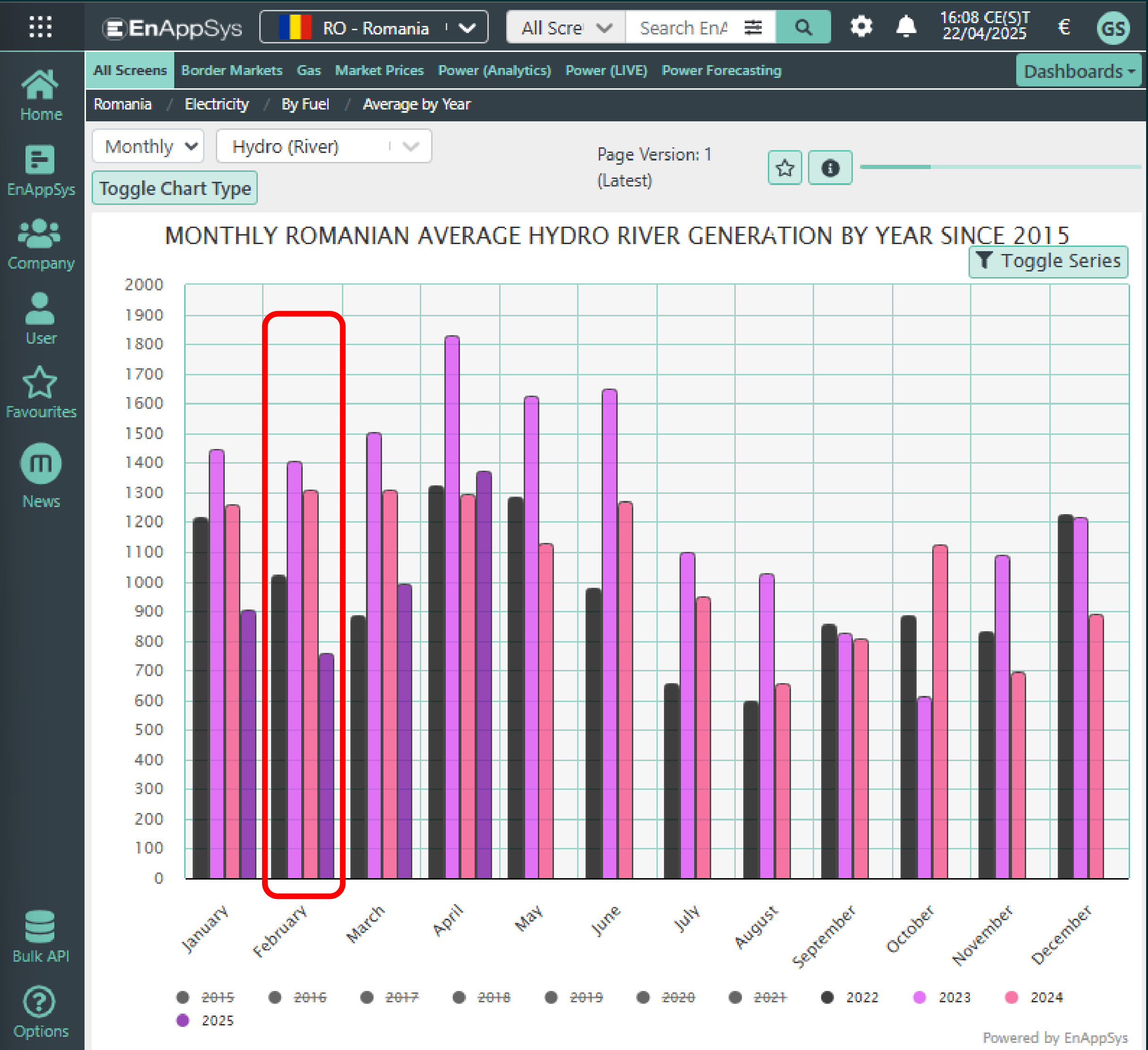
Average hourly gas generation peaked at 1 364 MW in February 2025 from 789 MW a year before (+73%)



# Q1 Overview – Q1 Key fundamentals in CSEE - Romania



Wind generation averaged at 755 MW in February, ca. 30% below the year before.



Run of river hydro generation dropped to 760 MW from 1310 a year earlier. (-42%)

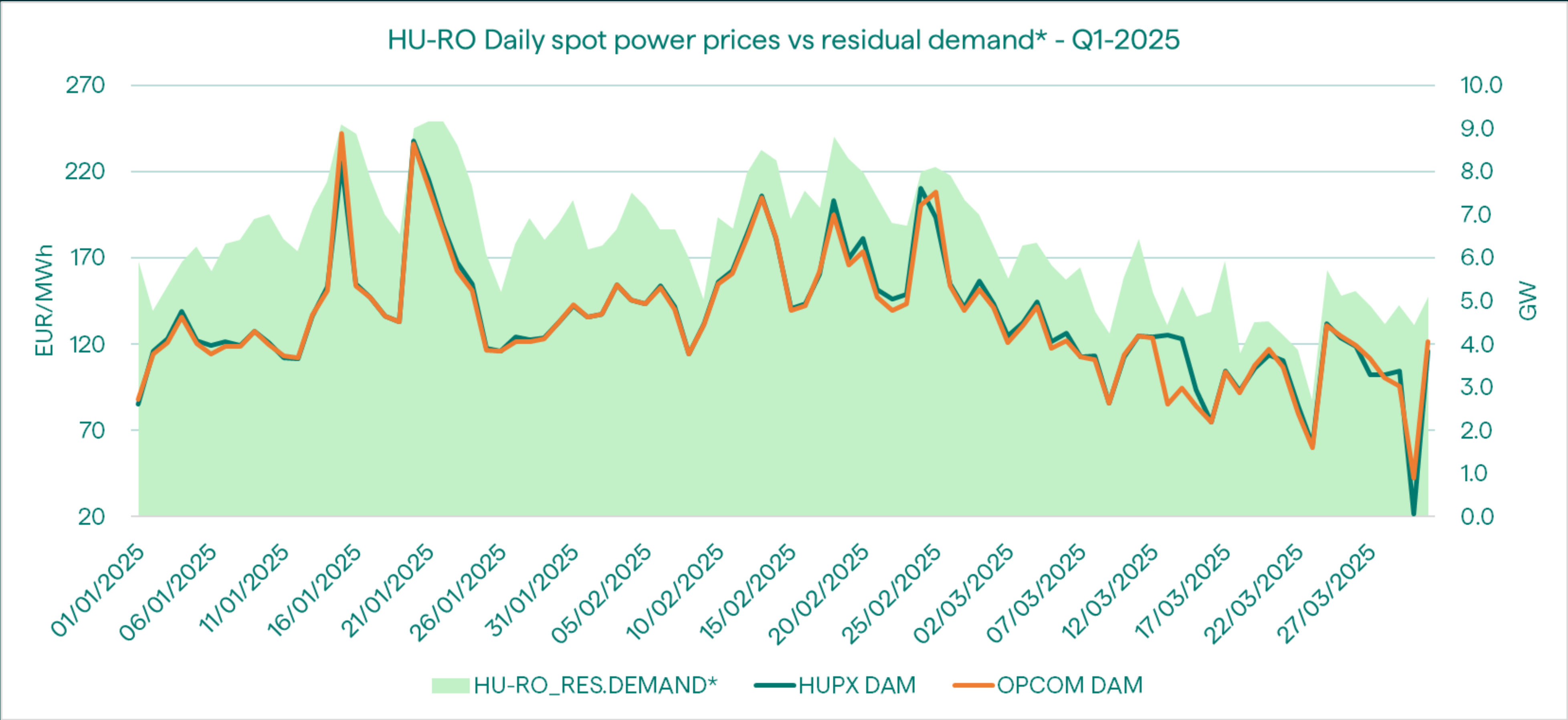
# Key fundamentals in CSEE – Hourly Spot Price Correlations

Q1_2024	(AT)	(BG)	(HR)	(CZ)	(FR)	(DE)	(GR)	(HU)	(IT-N)	(PL)	(RO)	(RS)	(SK)	(SL)	Q1_2025	(AT)	(BG)	(HR)	(CZ)	(FR)	(DE)	(GR)	(HU)	(IT-N)	(PL)	(RO)	(RS)	(SK)	(SL)
(AT)	1.00	0.88	0.98	0.97	0.84	0.93	0.73	0.96	0.69	0.79	0.89	0.93	0.97	0.99	(AT)	1.00	0.89	0.96	0.94	0.74	0.89	0.79	0.90	0.84	0.81	0.90	0.86	0.89	0.97
(BG)	0.88	1.00	0.92	0.88	0.74	0.76	0.89	0.91	0.69	0.71	0.99	0.90	0.88	0.91	(BG)	0.89	1.00	0.96	0.81	0.62	0.76	0.94	0.96	0.77	0.75	0.99	0.92	0.87	0.93
(HR)	0.98	0.92	1.00	0.97	0.83	0.89	0.78	0.98	0.71	0.79	0.93	0.95	0.98	1.00	(HR)	0.96	0.96	1.00	0.89	0.71	0.84	0.87	0.98	0.83	0.80	0.97	0.91	0.93	0.99
(CZ)	0.97	0.88	0.97	1.00	0.78	0.87	0.73	0.96	0.70	0.75	0.89	0.92	0.97	0.98	(CZ)	0.94	0.81	0.89	1.00	0.73	0.90	0.71	0.82	0.80	0.84	0.82	0.80	0.82	0.92
(FR)	0.84	0.74	0.83	0.78	1.00	0.81	0.62	0.79	0.58	0.63	0.74	0.80	0.79	0.84	(FR)	0.74	0.62	0.71	0.73	1.00	0.81	0.53	0.65	0.70	0.68	0.64	0.64	0.67	0.73
(DE)	0.93	0.76	0.89	0.87	0.81	1.00	0.60	0.85	0.64	0.77	0.77	0.84	0.88	0.91	(DE)	0.89	0.76	0.84	0.90	0.81	1.00	0.66	0.77	0.72	0.86	0.77	0.75	0.76	0.87
(GR)	0.73	0.89	0.78	0.73	0.62	0.60	1.00	0.77	0.70	0.63	0.87	0.80	0.74	0.76	(GR)	0.79	0.94	0.87	0.71	0.53	0.66	1.00	0.89	0.71	0.72	0.93	0.90	0.78	0.84
(HU)	0.96	0.91	0.98	0.96	0.79	0.85	0.77	1.00	0.71	0.78	0.92	0.94	0.97	0.98	(HU)	0.90	0.96	0.98	0.82	0.65	0.77	0.89	1.00	0.79	0.75	0.97	0.92	0.90	0.96
(IT-N)	0.69	0.69	0.71	0.70	0.58	0.64	0.70	0.71	1.00	0.62	0.68	0.72	0.70	0.71	(IT-N)	0.84	0.77	0.83	0.80	0.70	0.72	0.71	0.79	1.00	0.68	0.78	0.79	0.79	0.83
(PL)	0.79	0.71	0.79	0.75	0.63	0.77	0.63	0.78	0.62	1.00	0.72	0.76	0.80	0.80	(PL)	0.81	0.75	0.80	0.84	0.68	0.86	0.72	0.75	0.68	1.00	0.76	0.78	0.74	0.82
(RO)	0.89	0.99	0.93	0.89	0.74	0.77	0.87	0.92	0.68	0.72	1.00	0.91	0.90	0.92	(RO)	0.90	0.99	0.97	0.82	0.64	0.77	0.93	0.97	0.78	0.76	1.00	0.93	0.88	0.94
(RS)	0.93	0.90	0.95	0.92	0.80	0.84	0.80	0.94	0.72	0.76	0.91	1.00	0.93	0.95	(RS)	0.86	0.92	0.91	0.80	0.64	0.75	0.90	0.92	0.79	0.78	0.93	1.00	0.84	0.90
(SK)	0.97	0.88	0.98	0.97	0.79	0.88	0.74	0.97	0.70	0.80	0.90	0.93	1.00	0.98	(SK)	0.89	0.87	0.93	0.82	0.67	0.76	0.78	0.90	0.79	0.74	0.88	0.84	1.00	0.93
(SL)	0.99	0.91	1.00	0.98	0.84	0.91	0.76	0.98	0.71	0.80	0.92	0.95	0.98	1.00	(SL)	0.97	0.93	0.99	0.92	0.73	0.87	0.84	0.96	0.83	0.82	0.94	0.90	0.93	1.00

Under a tight supply-demand scenario — as seen in Q1 2025 — SEE markets tend to ‘decouple’ from Western markets.

The HU-RO-BG markets show the highest correlations with each other due to their combined import needs increasing via Hungarian interconnectors.

# Key fundamentals in CSEE – Price drivers



Residual demand on this chart refers to total **demand minus wind, solar, hydro, and nuclear** generation.

The most important price driver is the portion of demand that cannot be met by renewable and nuclear generation — which must be covered by imports, coal, or gas.

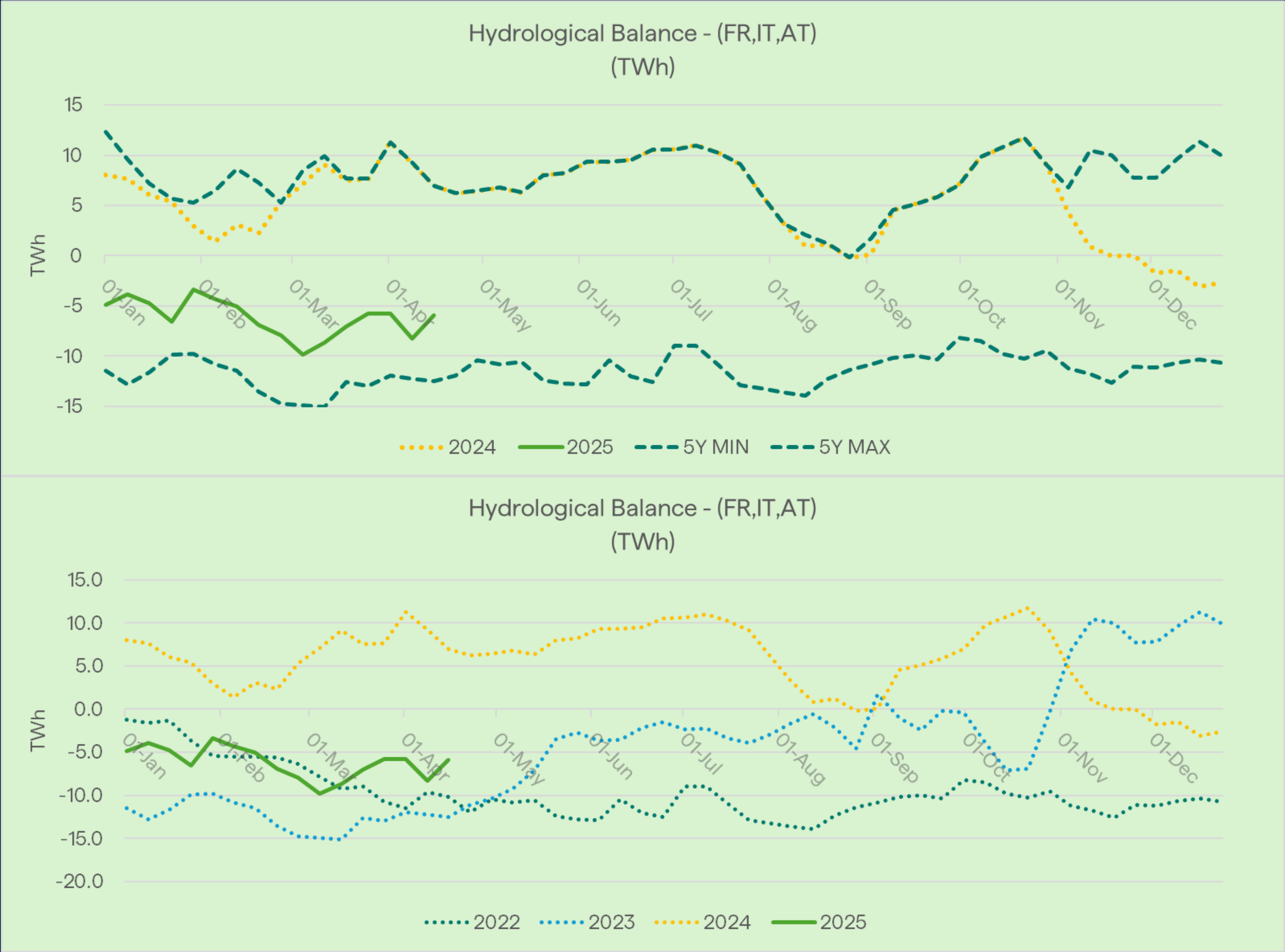


# Key fundamentals to watch for Q3 – Hydro – WE influence

Hydrological balance refers to the amount of **snow and water** currently available in a hydrological system, compared to the seasonal norm.

A positive hydrological balance indicates a surplus of **snow, groundwater, soil moisture, or available water**.

A negative balance indicates a deficit.



Hydrological balance is currently **-5.9 TWh below** the seasonal norm in FR+IT+AT.

At the same time last year, it stood at **+7 TWh**.

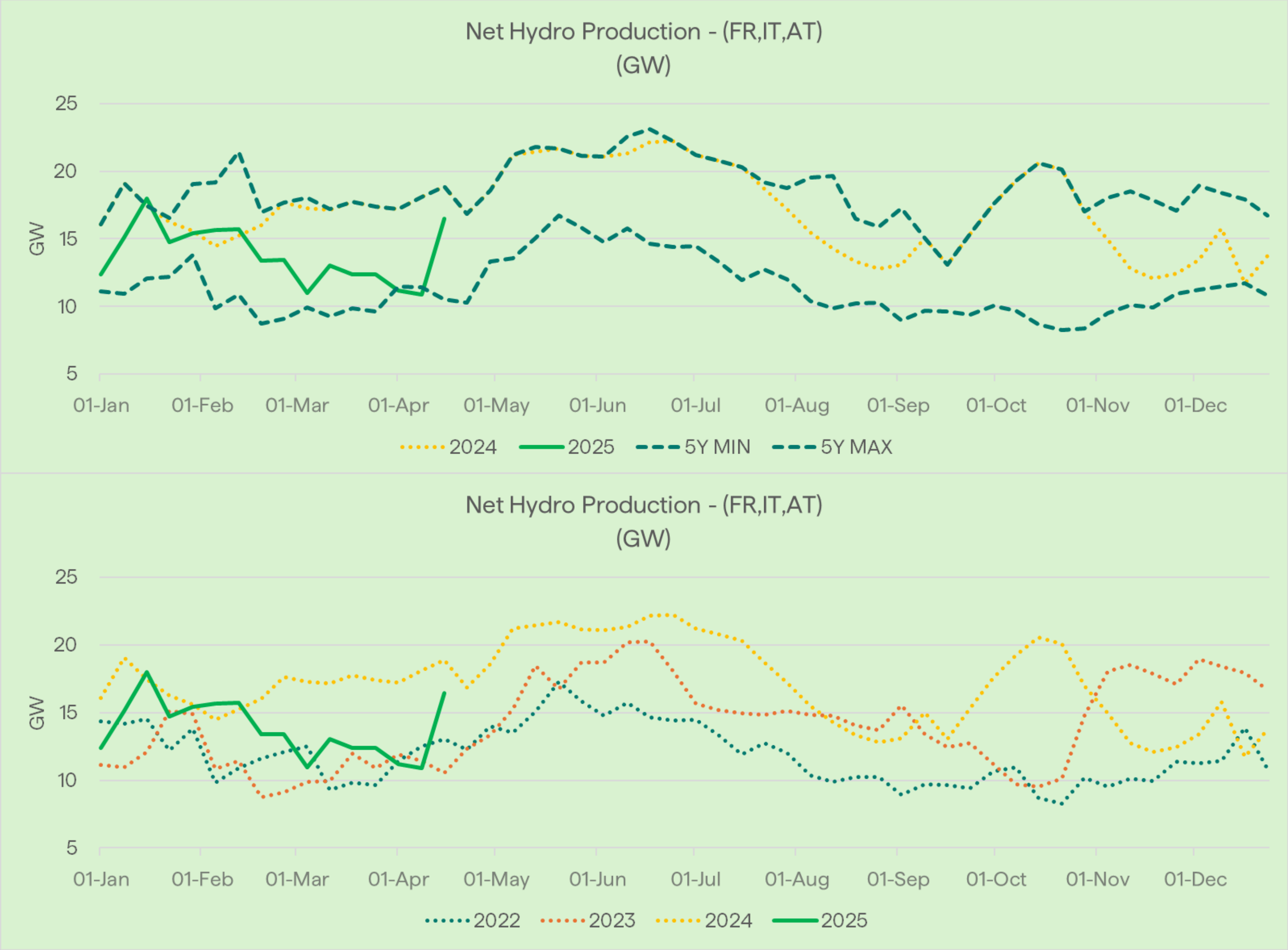
Without a wet Q2, continued dry conditions could reduce export potential from western neighbours.

Wet scenario: 2023

Dry scenario: 2022

# Key fundamentals to watch for Q3 – Hydro – WE influence

Net Hydro production is the sum of reservoir and run-of-river production.



Heavy precipitation over the past week has improved net hydro generation from the 5-year minimum.

France (FR) and Northern Italy (N-IT) received 350–380% of normal precipitation in Week 16.

The delta between 2024 and the 5-year minimum is **5–7.5 GW**.

The outlook for the next two weeks currently appears normal to dry.

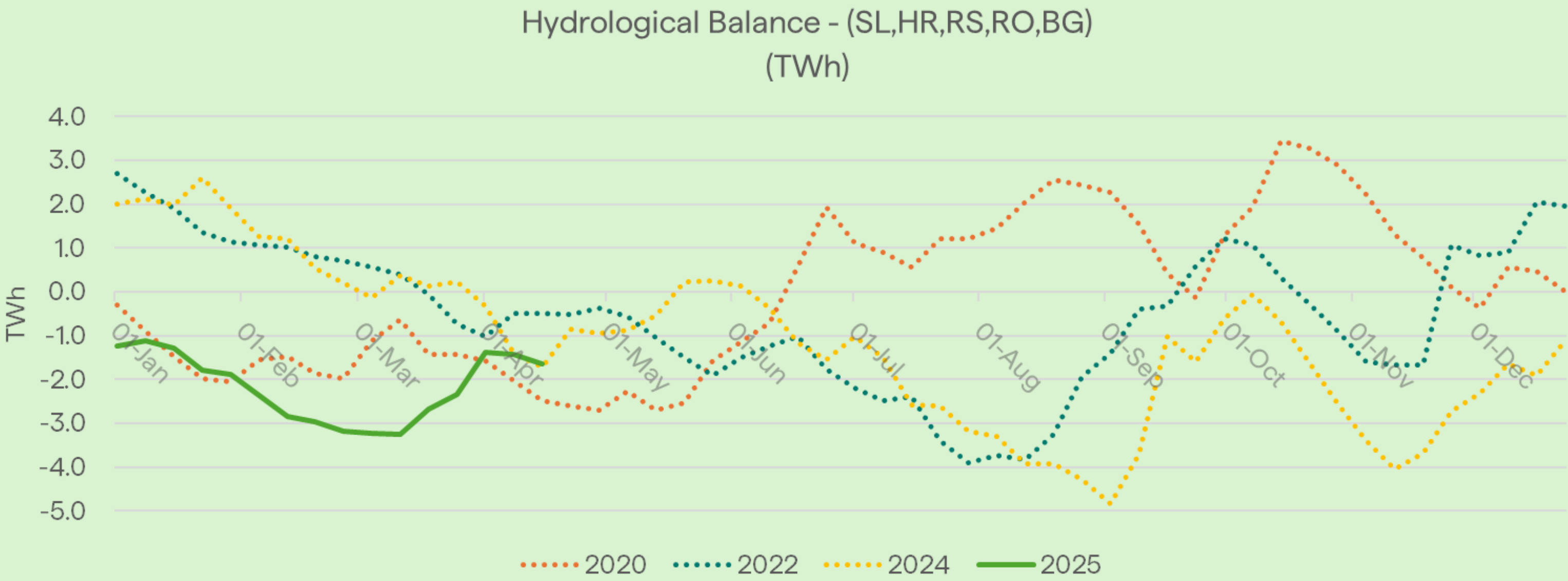
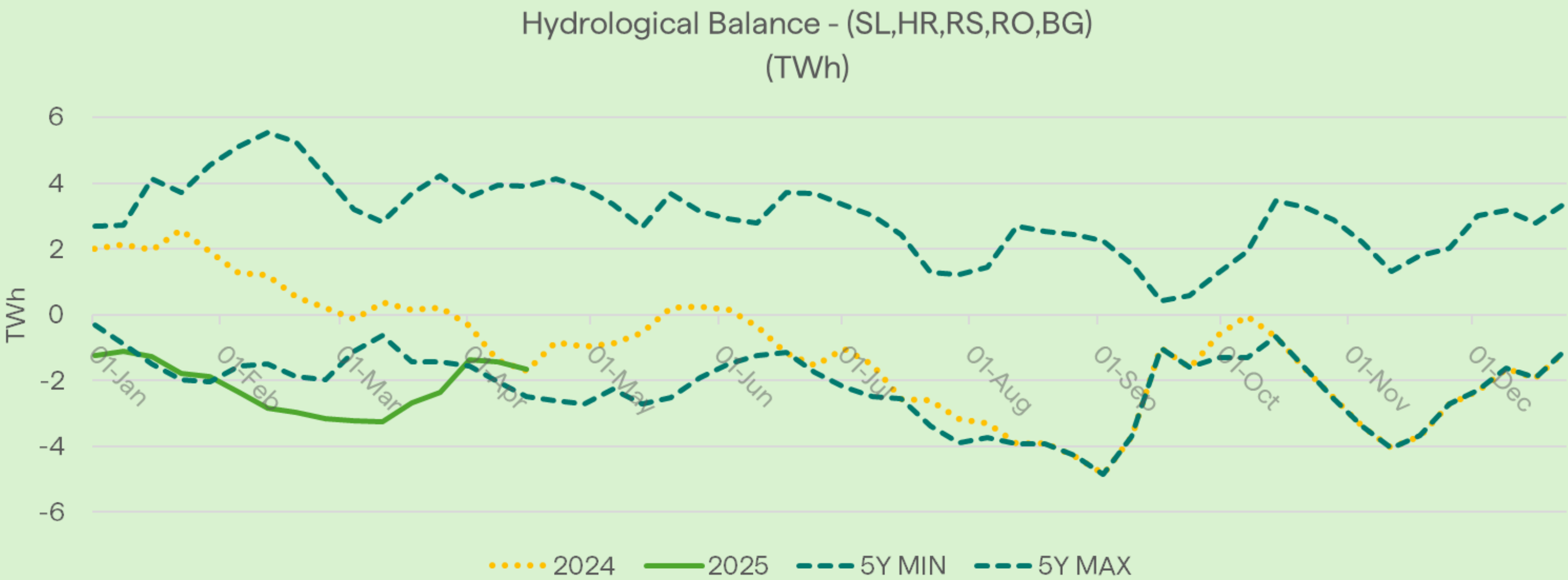


# Key fundamentals to watch for Q3 – Hydro – SEE

Hydrological balance refers to the amount of **snow and water** currently available in a hydrological system, compared to the seasonal norm.

A positive hydrological balance indicates a surplus of **snow, groundwater, soil moisture, or available water**.

A negative balance indicates a deficit.



Hydrological balance is currently **-1.6 TWh** below the seasonal norm in SL, HR, RS, RG, and BG.

At the same time last year, it was **-1.7 TWh**.

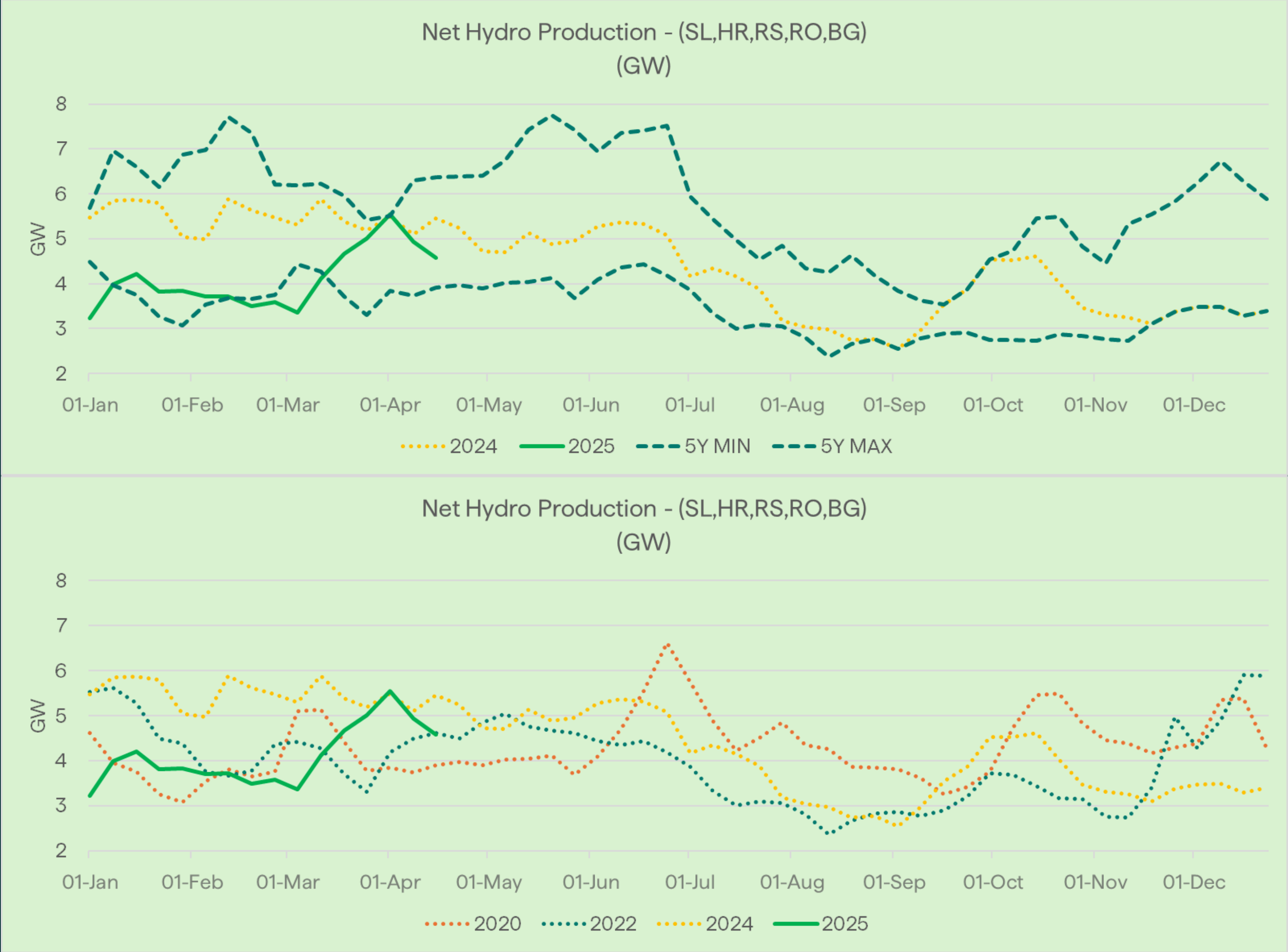
Without a wet Q2, dry conditions from 2024 could repeat.

Wet scenario: 2020

Dry scenario: 2022 / 2024

# Key fundamentals to watch for Q3 – Hydro – SEE

Net Hydro production is the sum of reservoir and run-of-river production.



Precipitation outlook significantly dryer than the Alpine Region.

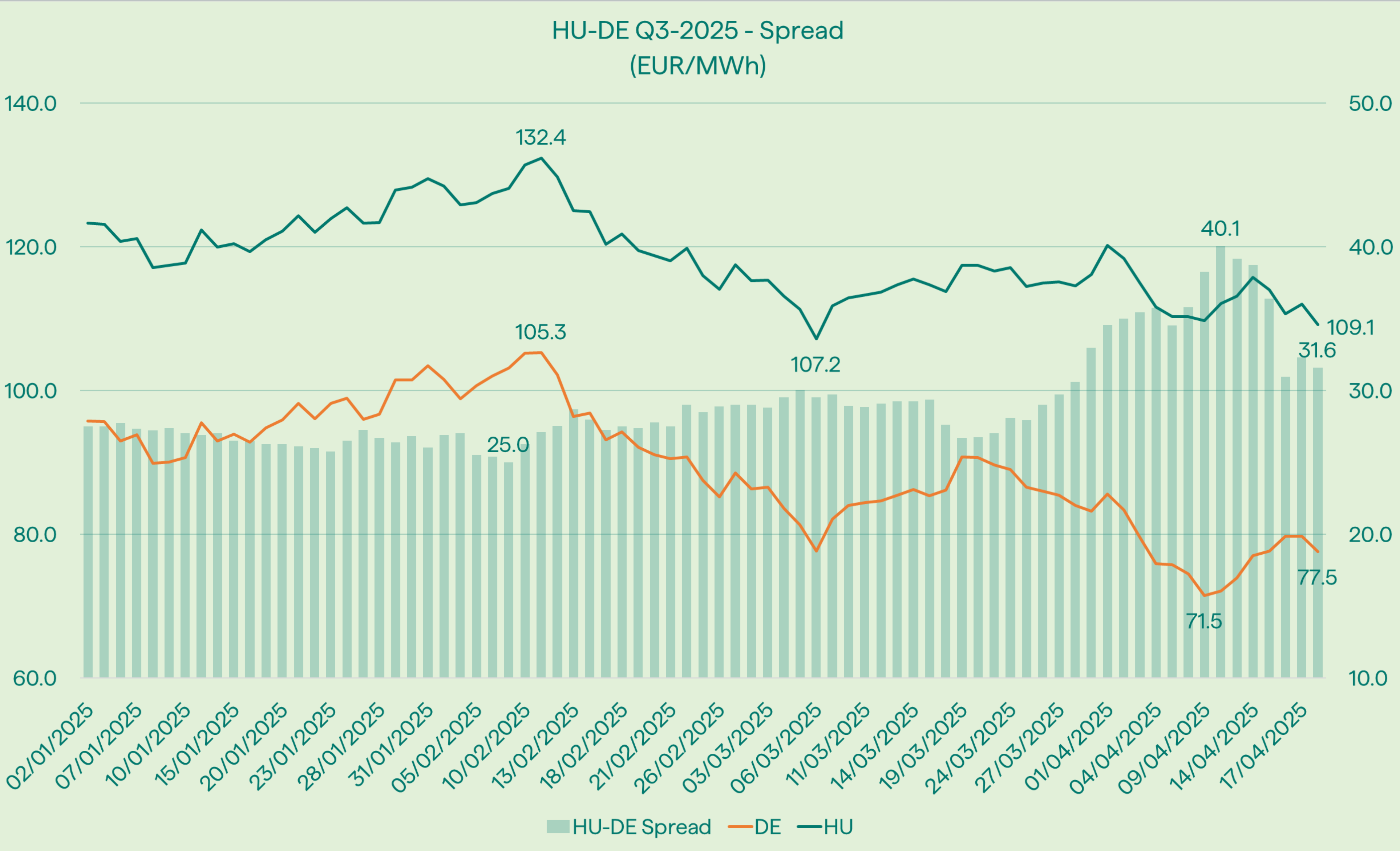
SL had **330%** of normal prec. in **week16**.

HR,RS is forecasted to have **200-266%** of normal prec. in **week17**.

RO,BG close to normal week17 and below normal until week20.

Delta between 5Y min-max. production in Q3 is ca. **2 GW**.

# Key fundamentals to watch for Q3 – Forward prices



Forward Power prices eased with the rest of the energy complex since mid-February.

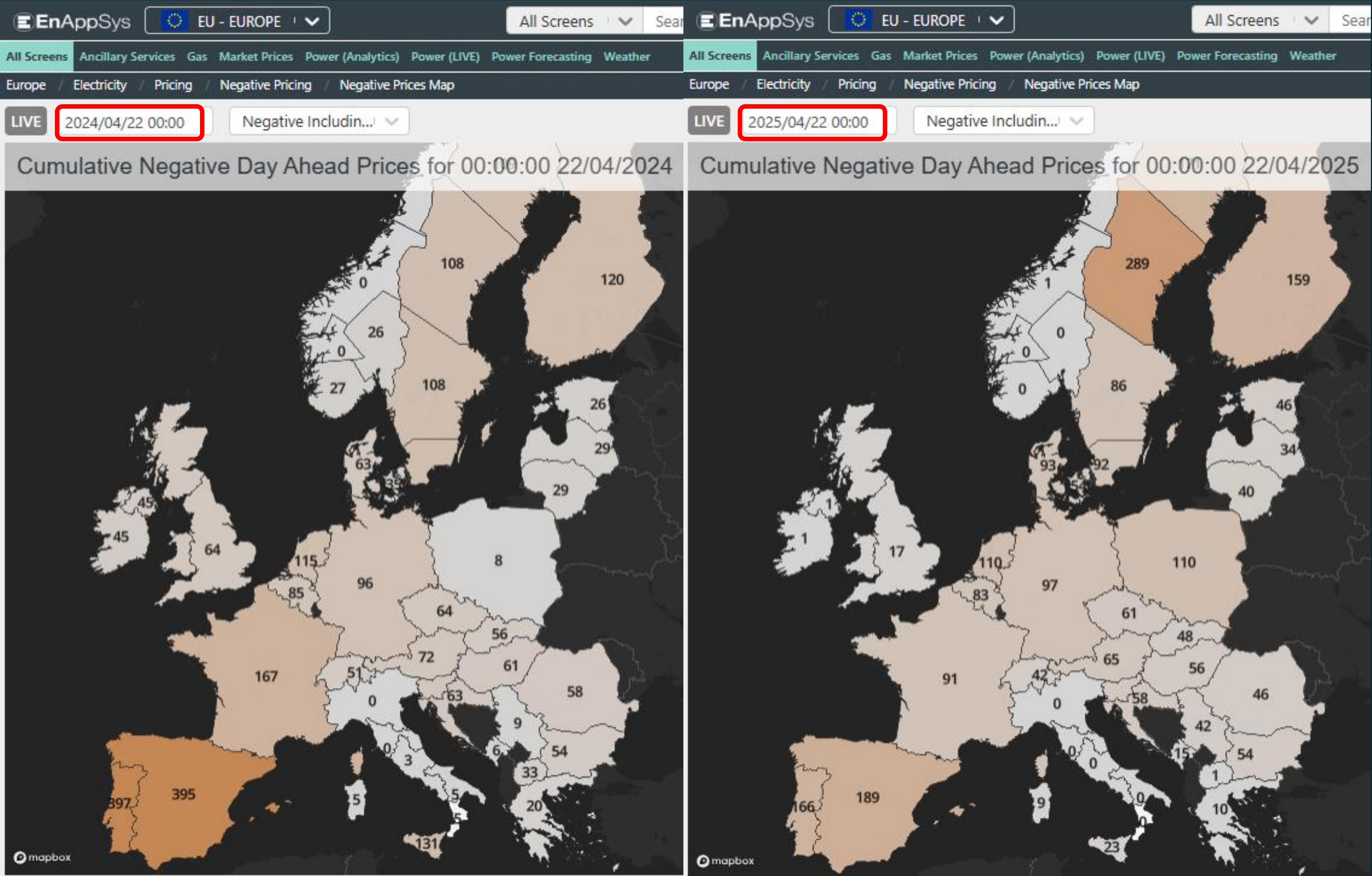
However, the HU-DE spread remains higher than in Q1 2025, due to tight hydro conditions and a higher-than-expected Hungarian spot outturn in the first half of April.

As the average April spot HU-DE spread decreased from ca. 17 to 9 EUR/MWh since 15.04., the forward spread has also declined.

SRMC for gas stand ca. 10% above same time last year at **84.2 EUR/MWh** (TTF/55% eff.)



# Key fundamentals to watch for Q3 – Hourly Price volatility



Comparing the number of zero and negative prices up to 22.04 with same period last year.

Volatility and negative prices are here to stay.

However, the number of negative (or zero) prices is not expected to grow significantly in CSEE and the most influential Western European (WE) markets (FR, DE, AT).

Higher gas prices, drier conditions and more proactive optimization of wind/solar all contributes to this trend.

If hot and dry weather scenario materializes the evening price spikes could hit similar levels to Q3\_2024.



# Summary

- Residual demand+ (demand minus wind, solar, hydro and nuclear generation) is the most important price driver from DE to GR
- Gas-to-power generation remains key to watch — its share in the fuel mix for Q3 may not increase compared to last year, but it will still be needed outside of solar peak hours.
- Currently, the hydro balance suggests drier conditions in the neighbouring Alpine region compared to 2024 — if this persists, imports to CSEE are likely to be more expensive.
- The import needs of CSEE, especially Southeast Europe (SEE), will once again depend heavily on hydro conditions — the current balance is close to the 5-year minimum.
- The number of negative prices in the region looks not to increase from last year due to tighter supply and higher gas prices.