



Daily Oil Market Comment

13/08/04

Oil futures continued their relentless upward climb (and reaching new historic highs) in a market drowning in fear of supply disruptions. WTI has now increased \$9.84/bbl or 27.5% since June 29. The market is now concentrating on increased fighting in Iraq, which MAY result in damage to oil infrastructure.....the Presidential Referendum in Venezuela this weekend which somehow MAY lead to disruption to oil production....continuing Yukos problems which MAY lead to reduction in production and Tropical storms in the US Gulf of Mexico. Technically the market remains in strong uptrend and WTI needs to settle below \$42.95 to break the trend.

Singapore prices were slightly weaker on more aggressive selling with the physical market balanced. Whilst product prices have eased relative to crude, the refinery margins are still at historic levels. Expect Singapore prices to be up 40 cents per barrel this morning.

Closing Prices Thursday August 12, 2004:

WTI	\$45.50/bbl	+\$0.70/bbl
Brent	\$42.29/bbl	+\$0.72/bbl
IPE Gasoil	\$378.25/t	+\$7.50/t = +\$1.01/bbl
MOPS Kero	\$50.925/bbl	-\$0.35/bbl

Asian Day Market Movement

Oil prices were mixed during Asian trading with oil futures firmer but Singapore prices slightly weaker.

Futures prices continue to firm on concerns over Yukos, Iraq, Venezuela and tropical storms in the Gulf of Mexico..all possibly affecting crude oil supply. With the weekend approaching, it is unlikely oil futures will decline.

Singapore prices were slightly weaker on continued aggressive offering in both physical gasoil and kero markets with little real buying interest. The gasoil market remains balanced while the kero market remains well offered. Expect Singapore kero prices to be down 25 cents per barrel today.

Prices As At 5:30PM Singapore Time - Thursday August 12, 2004:

WTI	\$44.88/bbl	+\$0.08/bbl
Brent	\$41.78/bbl	+\$0.21/bbl
IPE Gasoil	\$374.75/t	+\$3.75/t = +\$0.50/bbl
Singapore Kero	\$5100/bbl	-\$0.25/bbl