



Daily Oil Market Comment

30/07/04

Oil futures prices only ended slightly down despite news that the Russian Courts are not stopping Yukos from selling oil. Considering crude went up over \$1.00 per barrel on the news that Yukos MIGHT have to stop production, news that there is no impact saw an original drop of \$0.50/bbl but prices then firmed and only ended down \$0.15/bbl ! Despite the news on Yukos, market sentiment is now that technical factors are dominating the market and prices are likely to go higher. Technically the market remains in the strong uptrend and could reach \$44.25/bbl. WTI needs to settle below \$40.00/bbl to reverse the trend. After hours ACCESS has WTI trading up 15 cents per barrel as traders short cover ahead of the weekend.

Singapore prices were up marginally yesterday despite the previous nights surge in futures. Physical markets were quiet with gasoil remaining well bid and kero well offered. In paper markets, kero is seeing a few more sellers but banks remain quite aggressive buyers and keeping the August regrade at over \$2.70/bbl.

Closing Prices July 29, 2004:

WTI	\$42.75/bbl	-\$0.15/bbl
Brent	\$39.25/bbl	-\$0.28/bbl
IPE Gasoil	\$364.25/t	-\$3.50/t = -\$0.46/bbl
MOPS Kero	\$49.80/bbl	+\$0.10/bbl

Asian Day Market Movement

Oil futures eased during Asian trading day following yesterday's surge after the Russian government advised that Yukos is not prevented from selling crude oil. However, whilst the original report caused prices to go up \$1/bbl, the opposite news has seen prices only down \$0.40/bbl ! The market remains very scared of potential supply disruptions.

Singapore prices have ended only slightly up from yesterdays prices as they caught up with the previous nights futures rally but tempered by the futures easing today. Physical markets were quiet with gasoil remaining well bid and kero remaining well offered. Expect Singapore prices to be up \$0.15/bbl today.

Prices as at 5:30PM Singapore Time Thursday July 29, 2004:

WTI	\$42.50/bbl	-\$0.40/bbl
Brent	\$39.09/bbl	-\$0.44/bbl
IPE Gasoil	\$363.00/t	-\$4.75/t = -\$0.64/bbl
Singapore Kero	\$49.95/bbl	+\$0.15/bbl