



## Daily Oil Market Comment

20/07/04

Futures prices ended mixed overnight with London prices down but US prices up on a late rally. Prices still trending up with little news that can pull prices down. The Funds have increased their length again on the back of weaker US Dollar, low product stocks, strong demand and continued fears of supply disruptions from terrorist attacks.

Singapore prices were up only marginally yesterday, but after the Asian close, reports of LG-Caltex shutting down their 650kbpd Korean refinery due to a labour strike sent some traders into a buying frenzy on gasoil. It is too early to see if prices will remain high for long as the Korean Government is expected to step in to end the strike. Prices would have been up 40 cents per barrel on the back of crude, but could be up an additional 50 cents from the LG-Caltex news.

Closing Prices Monday July 19, 2004:

WTI Aug	\$41.64/bbl	+\$0.39/bbl (Contract expires tonight)
WTI Sep	\$41.44/bbl	+\$0.14/bbl
Brent Sep	\$37.90/bbl	-\$0.10/bbl
IPE Gasoil	\$351.75/t	-\$1.00/t = -\$0.13/bbl
MOPS Kero	\$48.00/bbl	+\$0.025/bbl

## Asian Day Market Movement

Oil prices during Asian trading were generally down for futures but Singapore swaps slightly higher. Futures were down on some profit taking after a lack of any bullish news over the weekend. However, the downside is seen as limited with Funds expected to come in again tonight and try and push WTI up over \$42/bbl.

Singapore prices were slightly stronger in the swaps market while physical product remain little changed. Again the physical kero was well offered with little buying interest but J.Aron continues to aggressively bid up the kero swaps by bidding up the regrade, despite the physical market being offered down.

Prices as at 5:30PM Singapore Time Monday July 19:

WTI Aug	\$41.00/bbl	-\$0.25/bbl
WTI Sep	\$41.08/bbl	-\$0.22/bbl
Brent Sep	\$37.75/bbl	-\$0.25/bbl
IPE Gasoil	\$347.50/t	-\$5.25/t = -\$0.70/bbl
Singapore Kero	\$48.00/bbl	+\$0.025/bbl