



China Aviation Oil (Singapore) Corporation Ltd
中國航油（新加坡）股份有限公司

Daily Oil Market Comment

29/06/04

Futures prices fell heavily overnight in the US handing over control to the Interim Iraqi Government and on news that NATO would train the Iraqi armed forces. There was also a report that Iraq's oil exports are back to "post war normal" of 1.8 million barrels per day after their pipelines were repaired. Prices are at their lowest level for 2 months. Fundamentally there remains no shortage of crude oil but products remain tighter than normal. Technically the market is in the short term downtrend and has also broken out of the medium term uptrend channel. However, the market remains fickle to large price movements depending on the news headlines.

Singapore prices were down in line with crude during Asian time and despite the markets being well offered, there is still aggressive buying of the kero swaps/regrade. Expect Singapore prices to be down 60 cents this morning.

Closing Prices June 28, 2004:

WTI	\$36.24/bbl	-\$1.31/bbl
Brent	\$33.70/bbl	-\$1.27/bbl
IPE Gasoil	\$308.25/t	-\$8.75/t = -\$1.17/bbl
MOPS Kero	\$43.35/bbl	-\$0.60/bbl