



Daily Oil Market Comment

22/06/04

Futures prices fell over a dollar overnight on news that Iraq had partially resumed exports after fixing one of their crude pipelines. Analysts were also forecasting crude and product stockbuilds for last week in the US. Thus, traders are starting to take into account the markets fundamentals and not just worry about potential threats to supply. Technically the market remains in short term down trend and is also at the bottom of the longer term uptrend channel, which has been a strong support level for this market.

Singapore prices eased with crude during Asian trading with gasoil offered aggressively by Hin leong and kero offered aggressively by BP. Kero swaps remain well bid by the banks (believed to still be covering customer business). Expect Singapore prices to be down 70 cents this morning.

Closing prices June 21, 2004:

WTI Jul	\$37.63/bbl	-\$1.12/bbl
WTI Aug	\$37.77/bbl	-\$1.23/bbl
Brent Aug	\$35.13/bbl	-\$1.08/bbl
IPE Gasoil	\$317.25/t	-\$3.25/t = -\$0.44/bbl
MOPS Kero	\$43.40/bbl	-\$0.50/bbl