



Daily Oil Market Comment

11/10/04

Oil prices reached new record highs yet again as the market rallied over concerns of supply. News that the Louisiana Offshore Oil Port (LOOP) had shut for the 3rd time in a month due to bad weather as well as reports that the US Gulf crude production was still 28% below average and possible strikes in Nigeria sent prices to new highs. Technically the market remains in a strong uptrend with the next technical target at \$53.90 and WTI needing to close below \$50.30 to reverse the trend.

Singapore prices were down \$0.15/bbl on Friday afternoon as the futures market was dropping at the time from news that the Nigerian strike was off (later refuted). The physical market is still well offered with the high prices appearing to put a dent in the demand for product. However, the paper markets remain well bid in line with futures which is supporting the physical market. Expect Singapore prices to be up \$0.60/bbl today.

Closing Prices Friday October 8, 2004:

WTI	\$53.31/bbl	+\$0.64/bbl
Brent	\$49.71/bbl	+\$0.81/bbl
IPE Gasoil	\$473.00/t	+\$12.50/t = +\$1.68/bbl

Asian Day Market Movement

Oil prices fell during Asian trading on profit taking following reports that the Nigerian Oil Workers strike was being called off. The market still remains bullish on low stocks and I expect prices to rebound when New York opens as they are heading into a long weekend.

Singapore prices should be slightly weaker as physical cargo offers were less aggressive and more buyers emerged on the price dip. The Singapore market remains well offered and traders are still aggressive on buying swaps in a continuing bull market.

Prices As At 5:30pm Singapore Time Friday October 8, 2004:

WTI	\$52.10/bbl	-\$0.57/bbl
Brent	\$48.40/bbl	-\$0.50/bbl
IPE Gasoil	\$457.75/t	-\$2.75/t = -\$0.37/bbl
Singapore Kero	\$5840/bbl	-\$0.25/bbl