



## Daily Oil Market Comment

28/09/04

Oil prices once again hit record highs with WTI trading above \$50.00. Traders are still bullish on supply concerns. The latest problem is Nigerian rebels have threatened an all out war against the government which could lead to crude production cuts. Nigeria is OPEC's 5th largest producer. So now the market is concerned about supply disruptions in Iraq, Russia, Nigeria and the US Gulf. It is interesting to note that in January 2004, US commercial crude stocks were 263.7 million barrels (lower than current) but WTI was \$34.94 and total US crude stocks including SPR was 904.2 million barrels versus current levels of 939.4 million barrels, yet WTI is now \$15/bbl higher. Trading on the after hours ACCESS system has WTI up another 31 cents per barrel this morning.

Singapore prices were only marginally higher by 12.5 cents per barrel in a quiet market. Physical kerosene remains well offered with no aggressive buyers today but the market is still bullish on the back of low Japanese kerosene stocks. Expect Singapore prices to be up \$0.70/bbl today.

Closing prices Monday September 27, 2004:

WTI	\$49.64/bbl	+\$0.76/bbl
Brent	\$45.93/bbl	+\$0.60/bbl
IPE gasoil	\$431.00/t	+\$8.50/t = +\$1.14/bbl

## Asian Day Market Movement

Oil prices continued to firm with market sentiment fixated on WTI reaching \$50 per barrel. Brent traded at historic high this afternoon at \$46.00. OPEC continues to say that there is no shortage of crude in market with September output at 30.5 million barrels per day, their highest since 1979. The market still bullish on the aftereffects of Hurricane Ivan which will leave US stocks at historical lows.

Singapore prices are up again on the back of the futures but no physical deals being done but kerosene remains well offered. The market still very bullish on kerosene due to the low stocks in Japan heading into winter. The Singapore swaps market was very illiquid today. Singapore prices should be up \$0.25/bbl today.

Prices As At 5:30pm Singapore Time Monday September 27, 2004:

WTI	\$49.21/bbl	+\$0.33/bbl
Brent	\$45.76/bbl	+\$0.43/bbl
IPE Gasoil	\$428.75/t	+\$6.25/t = +\$0.84/bbl
Singapore Kero	\$59.45/bbl	+\$0.25/bbl