



Daily Oil Market Comment

23/09/04

Oil prices soared once again following the reports of US Inventory data and damage from Hurricane Ivan. Oil stocks drew for the eighth consecutive week for the first time since 1988. However, prices really started moving up when it was reported that 7 crude oil platforms in the US Gulf were destroyed in the hurricane and 13 pipelines have leaks. Approximately 9 million barrels of crude oil production has been lost to date. After hours ACCESS trading has WTI down \$0.47/bbl on reports that 2 US refineries have asked for emergency supply from the US strategic reserves.

US Dept of Energy Change in weekly Stocks (millions of barrels):

Crude	-9.1
Gasoline	-2.8
Distillates	-1.5

Singapore prices firmed \$1.225/bbl yesterday during Asian trading on the back of rising gasoil futures and aggressive bidding in the swaps market whilst the physical markets remain well offered but with little activity seen. Expect Singapore prices to be up \$1.00/bbl again today.

Closing Prices Wednesday September 22, 2004:

WTI	\$48.35/bbl	+\$1.59/bbl
Brent	\$44.93/bbl	+\$1.54/bbl
IPE Gasoil	\$422.50/t	+\$13.00/t = +\$1.74/bbl

Asian Day Market Movement

Oil prices were mixed during Asian trading today with futures basically unchanged from overnight but Singapore prices up on a catch up from the previous nights futures move. Traders still buying and supporting the market on belief that market will rally tonight when the US Inventory statistics are released tonight following the impact of hurricane Ivan. Technically the market remains in the uptrend.

Singapore prices surged more than \$1.20 per barrel on the back of stronger gasoil futures last night and aggressive bidding in the swaps market. No physical deals are being done and premiums are not changing. Traders are using the swaps market to push up prices.

Prices As At 5:30pm Singapore Time, Wednesday September 22, 2004:

WTI	\$46.75/bbl	Nil
Brent	\$43.48/bbl	+\$0.09/bbl
IPE Gasoil	\$409.50/t	Nil
Singapore Kero	\$5740/bbl	+\$1.25/bbl