



Daily Oil Market Comment

13/09/04

Oil prices remaining very volatile with prices crashing on Friday night but up again this morning. Friday night prices down \$1.80-\$2.00/bbl in a reversal of Thursday night's spike on profit taking. This was an unusual move given it was a weekend and the anniversary of 9/11. However, prices are back up 50 cents per barrel this morning on fears that Hurricane Ivan will disrupt crude production in the US Gulf. Technically the market is at the trend reversal point and is trading sideways.

Singapore prices surged over \$3 per barrel on the back of the rise in gasoil futures on Thursday and aggressive bidding in the physical and swaps markets. Singapore kero remains well offered but bp is getting more aggressive in its bids in the physical markets resulting on a price jump of \$3.20/bbl. Traders expect prices to remain firm as we head into winter with Japanese stocks at low levels. Expect Singapore prices to be down \$1-\$1.40/bbl this morning.

Closing Prices Friday September 10, 2004:

WTI	\$42.80/bbl	-\$1.80/bbl
Brent	\$40.20/bbl	-\$2.02/bbl
IPE Gasoil (Oct)	\$385.25/t	-\$8.80/t = -\$1.18/bbl

Asian Day Market Movement

Oil prices firmer again during Asian day maintaining the momentum from last nights surge. Products are especially stronger on fears of low gasoil/heating oil stocks heading into winter. Technically the market is in short term uptrend. Heading into a weekend and the anniversary of 9/11, it is doubtful that traders will want to go short tonight.

Singapore prices surged more than crude in line with IPE Gasoil futures with aggressive bidding in both physical and swaps markets. Hin Leong and Shell bid aggressively for physical gasoil whilst bp continues to aggressively bid the kero market. Expect Singapore prices to be up over \$3/bbl today.

Prices As At 5:30pm Singapore Time Friday September 10, 2004:

WTI	\$44.78/bbl	+\$0.17/bbl
Brent	\$42.31/bbl	+\$0.09/bbl
IPE Gasoil	\$400.25/t	+\$6.00/t = +\$0.80/bbl
Singapore Kero	\$54.90/bbl	+\$3.30/bbl