



Daily Oil Market Comment

10/08/04

Oil futures rebounded again on Monday after falling 46 cents on Friday night. Prices once again soared on news that Iraq has stopped pumping oil to the Basrah terminal after terrorist threats against it. Then there is the ongoing Yukos battle with the Russian government and concerns over what will happen in Venezuela for the Presidential referendum. Technically, the market remains in strong uptrend and WTI has to settle below \$42.30/bbl to break the short term trend.

Singapore markets were closed on Monday for National Day. On Friday prices rallied 90 cents per barrel on aggressive buying on swaps. Expect prices to be up another 50 cents per barrel today.

Closing Prices Monday August 9, 2004:

WTI	\$44.84/bbl	+\$0.89/bbl
Brent	\$41.56/bbl	+\$0.93/bbl
IPE Gasoil	\$387.25/t	+\$8.75/t = +\$1.17/bbl
MOPS Kero	Closed	(Friday price = \$52.075/bbl)

Asian Day Market Movement

Oil prices continued their upward movement in a very nervous market. Market sentiment is still bullish despite record high prices on concerns over crude and product supply squeezes. To date, there has been no actual shortage of any crude or products. Prices firmer at London opening on reports that bailiffs have seized US\$900 million from Yukos and they now have no cash to pay for their operations. This report has subsequently been denied by Yukos....who to believe ?

Singapore prices soared once again on the back of the futures increases overnight despite a weakening physical market. Both gasoil and kero physical cargoes were offered aggressively and there weren't even any bids for either gasoil or kero. Expect Singapore prices to be up \$1.00/bbl today.

Prices as at 5:30PM Singapore Time - Friday August 6, 2004:

WTI	\$44.68/bbl	+\$0.27/bbl
Brent	\$41.32/bbl	+\$0.20/bbl
IPE Gasoil	\$383.25/t	+\$1.25/t = +\$0.17/bbl
Singapore Kero	\$52.15/bbl	+\$1.00/bbl