



Daily Oil Market Comment

04/08/04

Oil prices continued their upward climb and setting new historic highs for the third consecutive day. The market remains extremely bullish on concerns that global oil supply cannot match rising demand. The OPEC President assisted the mood by stating that OPEC could not increase production any more quickly although Saudi Arabia stated that they could increase their own production by 1 million barrels per day tomorrow ! Technically the market remains in a strong uptrend with the next resistance level at \$45/bbl. The market will wait for the US stock data due out tonight for more price direction.

Singapore prices were up with the oil futures although the physical product is being offered more aggressively now at such high prices. However, physical kero is more available than gasoil at the moment. Expect Singapore prices to be up \$0.20/bbl this morning.

Closing Prices August 3, 2004:

WTI	\$44.15/bbl	+\$0.33/bbl
Brent	\$40.64/bbl	+\$0.67/bbl
IPE Gasoil	\$378.25/t	+\$6.00/t = +\$0.80/bbl
MOPS Kero	\$50.90/bbl	+\$0.425/bbl

Asian Day Market Movement

Oil prices were up during the Asian trading day on reports that OPEC cannot increase production any more in the short term. This sent oil futures up to record a new historic high of \$44.24 for WTI. Some confusion reigns because the Saudis then came out and said they could increase crude to 10.5 million barrels per day immediately. Again the market seems to accept the bullish news and rejects any bearish news. The market remains very bullish based on the technicals despite the record high prices.

Singapore prices are up on the back of the oil futures although both kero and gasoil physical remains aggressively offered. Singapore kero is available promptly so the regrade is finally coming in with little new demand seen. Expect Singapore prices to be up \$0.40/bbl today.

Prices As At 5:30PM Singapore Time:

WTI	\$44.17/bbl	+\$0.35/bbl
Brent	\$40.34/bbl	+\$0.37/bbl
IPE Gasoil	\$376.50/t	+\$4.25/t = +\$0.57/bbl
Singapore Kero	\$50.85/bbl	+\$0.40/bbl