



Daily Oil Market Comment

16/07/04

Futures prices settled mixed overnight with crude prices down slightly but product prices up slightly. Market was fairly steady on the lack of any fresh news and heading into a weekend it is unlikely that prices will move significantly down. Prices are still high based primarily on the fear of terrorist attacks to oil infrastructure as well as fears of low product stocks not meeting the surging demand. Fundamentally there is no shortage of crude or products but stocks are still on low side (not surprising given high prices and suppliers wanting to minimise working capital). Technically the market remains in a strong uptrend.

Singapore prices were higher yesterday on the back of the huge rise in the previous nights futures but the market was physically well offered which dampened the increase. Expect Singapore prices to be unchanged this morning.

Closing Prices Thursday July 15, 2004:

WTI Aug	\$40.77/bbl	-\$0.20/bbl
WTI Sep	\$40.93/bbl	-\$0.22/bbl
Brent Sep	\$37.48/bbl	-\$0.33/bbl
IPE Gasoil	\$348.00/t	+\$9.25/t = +\$1.24/bbl
MOPS Kero	\$47.25/bbl	+\$0.55/bbl

Asian Day Market Movement

Oil prices were slightly lower on profit taking during Asian trading following the price spike overnight. Sentiment remains bullish with reduced stocks and strong demand, and fears of increasing terrorist attacks. Technically the market remains in the uptrend and could head to \$42/bbl (WTI).

Singapore prices did not increase as much as the overnight futures with physical kero still well offered and no bids whilst gasoil is well bid but Hin leong still selling aggressively. Expect Singapore prices to be up 70 cents per barrel today.

Prices as at 5:30PM Singapore Time July 15, 2004:

WTI	\$40.83/bbl	-\$0.14/bbl
Brent	\$38.20/bbl	-\$0.34/bbl
IPE Gasoil	\$345.25/t	+\$6.50/t = +0.87/bbl
Singapore Kero	\$47.40/bbl	+\$0.70/bbl