



Daily Oil Market Comment

01/11/04

Oil prices rallied late Friday night on short covering ahead of the weekend as traders were worried about terrorist attacks over the weekend before the US Presidential election. Prices traded as low as \$50.60 during Asian trading. The US Gulf of Mexico is back to 80.5% of normal production. Technically the market remains in the short term downtrend and WTI needs to close above \$53.25/bbl to restart the uptrend.

Singapore prices fell \$0.88/bbl in line with futures during the Asian day amid a quiet market with such price volatility. Gasoil remains well offered with no buying interest whilst kerosene is seeing more buyers appear with traders still bullish due to low Japanese kerosene stocks. Singapore prices should be up \$0.80/bbl Monday morning.

Closing Prices Friday October 29, 2004:

WTI	\$51.76/bbl	+\$0.84/bbl
Brent	\$48.98/bbl	+\$0.61/bbl
IPE Gasoil	\$449.00/t	-\$13.75/t = -\$0.84/bbl

Asian Day Market Movement

The market dropped further overnight as it continues to look technically weak with no major change in the overall market fundamentals.

Technical point to further weakness and possible test of the 50.00 level basis the WTI but with the weekend ahead and US elections on Tuesday further length liquidation might subside.

The physical markets in Asia continue to be well supplied on most of the products and near term demand still poor. The Singapore swaps edged lower mainly in line with the lower crude values.

Prices at 18:00:

WTI	\$50.75	- 0.17 /bbl.
Brent	\$ 47.99	- 0.38 /bbl.
IPE Gasoil	\$448.50 /M.Ton	- 3.50 /MT or 1.91/bbl.