



## Daily Oil Market Comment

27/09/04

Oil futures continued their climb upwards with WTI settling at a record high of \$48.88/bbl. The all time traded high remains \$48.40/bbl on August 20. The market remains bullish despite the US Government releasing some barrels from the SPR to 2 refiners because the barrels will be repaid quickly and the volume is very minor compared to the production lost from Hurricane Ivan. Technically the market remains in steep uptrend with traders targeting \$50/bbl. The trend will only be reversed if WTI settles below \$45.13/bbl. Trading in after hours ACCESS has WTI already up this morning at \$49.20, up \$0.32/bbl.

Singapore kero prices surged over \$1 per barrel on Friday on aggressive buying from trader Vitol. Despite 2 cargoes being bought at the equivalent of 85 cents discount and flat discount, Platt's valued the market at flat, so the discount improved 45 cents from Thursday. Expect Singapore prices to be up \$0.45/bbl this morning.

Closing prices Friday September 24, 2004:

WTI	\$48.88/bbl	+\$0.42/bbl
Brent	\$45.33/bbl	+\$0.20/bbl
IPE Gasoil	\$422.50/t	+\$0.50/t = -\$0.06/bbl

## Asian Day Market Movement

Oil prices were once again mixed with crude futures down slightly, gasoil futures firmer and Singapore prices much firmer on aggressive bidding. Market sentiment remains bullish ahead of the weekend with crude and product stocks remaining low following Hurricane Ivan despite the US government releasing some crude from the Strategic reserve to two refineries. Technically the market remains in uptrend with prices again expected to test \$50 per barrel.

Singapore prices up again on a combination of catching up to futures movement last night plus aggressive bidding in the swaps market. BP and now Vitol bid aggressively in the kerosene paper markets whilst BP aggressively purchased physical cargoes. Expect Singapore prices to be up \$0.60 per barrel today. Kerosene remains well offered.

Prices As At 5:30pm Singapore Time, Friday September 24, 2004:

WTI	\$48.32/bbl	-\$0.14/bbl
Brent	\$45.07/bbl	-\$0.06/bbl
IPE gasoil	\$424.00/t	+\$1.00/t =+\$0.13/bbl
Singapore Kero	\$58.80/bbl	+\$0.60/bbl