



## Daily Oil Market Comment

29/07/04

Oil futures surged overnight on reports that Yukos may stop selling crude after bailiffs ordered the company not to sell any property. US stock data was neutral with a build in crude and distillates but drop in gasoline. US demand remains strong and whilst stocks are higher than last year, they remain lower than average. WTI settled at a historic high last night and technically the market has very little resistance levels.

US Dept of Energy change in Weekly Stocks (millions/bbls)

Crude	+1.2
Gasoline	-0.7
Distillates	+0.7

Singapore prices eased yesterday on more aggressive selling of both physical and swaps. Physical gasoil remains tight and well bid whilst kero remains well offered. Expect Singapore prices to be up 50 cents per barrel this morning.

Closing Prices for July 28, 2004:

WTI	\$42.90/bbl	+\$1.06/bbl
Brent	\$39.53/bbl	+\$0.99/bbl
IPE Gasoil	\$367.75/t	+\$6.75/t = +\$0.90/bbl
MOPS Kero	\$49.70/bbl	-\$0.20/bbl

## Asian Day Market Movement

Oil prices were mixed during Asian trading day with crude oil futures rising on reports that Yukos may have to stop crude oil production due to court orders. However, Singapore distillate prices eased slightly on more aggressive swaps selling. Before the late rise this afternoon, prices were steady as the market was waiting for more direction following the release of US Inventory data later tonight. The market remains very bullish and is susceptible to any bullish news.

Singapore prices eased on more aggressive offers in both the physical market and paper markets. BP remains the main buyer of gasoil with Hin Leong the main seller. Physical kero remain well offered with BP the only bidder but not aggressively. The August regrade (kero less gasoil) weakened again today on stronger selling but still remains high relative to the physical fundamentals. Expect Singapore prices to be down \$0.15/bbl today.

Prices as at 5:30PM Singapore Time - July 28, 2004:

WTI	\$42.08/bbl	+\$0.24/bbl
Brent	\$38.70/bbl	+\$0.16/bbl
IPE Gasoil	\$360.00/t	-\$1.00/t = -\$0.13/bbl
Singapore Kero	\$49.75/bbl	-\$0.15/bbl