



Daily Oil Market Comment

13/07/04

Futures prices rallied during Asian trading but then fell just before close on news of a fire in a Norwegian Refinery. Prices rallied early on the refinery report but then fell when the refinery advised that the shutdown would have no impact on its exports commitments. This resulted in WTI trading within a \$1.30/bbl range during the day. Technically the market remains in uptrend with WTI needing to fall to \$38/bbl to break the trend. Trading in Asian morning on after hours ACCESS has WTI down another 30 cents per barrel.

Singapore prices ended up fairly steady as the mentioned above as prices rallied from the early morning weakness on the Norwegian refinery news. Physical kero remains well offered with little buying interest whilst gasoil remains well bid as the market is tightening with few offers. However, the swaps market is the reverse of the physical market with kero swaps being well bid resulting in a \$3.50/bbl regrade ! Expect Singapore prices to be down 50 cents per barrel this morning.

Closing Prices July 12, 2004:

WTI	\$39.50/bbl	-\$0.46/bbl
Brent	\$36.63/bbl	-\$0.42/bbl
IPE Gasoil	\$347.75/t	+\$5.25/t = +\$0.70/bbl (contract closed before crude sell off)
MOPS Kero	\$47.90/bbl	Nil

Asian Day Market Movement

Oil prices initially dropped during Asian trading but rallied in the late afternoon following reports of a fire at a Norwegian refinery which will cut production by 200,000 barrels per day.

Singapore products keep seeing kero well offered and gasoil well bid but the regrade stays at wide levels and refining margins stay extremely healthy. Expect Singapore prices to be up 5-10 cents per barrel from Friday.

Prices at 5:30PM Singapore Time:

WTI	\$40.07/bbl	+\$0.11/bbl
Brent	\$37.27/bbl	+\$0.22/bbl
IPE Gasoil	\$346.75/t	+\$1.25/t
Singapore Kero	\$47.95/bbl	+\$0.05/bbl