



Daily Oil Market Comment

24/06/04

Futures prices fell overnight following US Inventory data showed a crude build. Prices rallied during Asian close (London morning) with reports the Norwegian oil workers strike was escalating and more production would be lost. But prices then reversed and weekend with US stock data. The API showed large builds of both crude and products whilst the DOE showed crude build but gasoline drop. The drop in gasoline stocks should be supportive. Technically the market remains in short term downtrend. WTI has now been trading in a \$37/\$39 range since June 3.

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

| | |
|-------------|------|
| Crude | +2.5 |
| Gasoline | -0.8 |
| Distillates | +0.6 |

Singapore prices rallied more than crude despite aggressive offers in the physical market as banks continue to aggressively buy the kero swaps. July swaps were trading 80 cents above the physical trade. Kero remains well offered in the region but gasoil appears to be tightening with demand from Indonesia, Vietnam and China. Expect Singapore prices to be down 70 cents this morning.

Closing Prices June 23, 2004:

| | | |
|------------|-------------|-------------------------|
| WTI | \$37.57/bbl | -\$0.68/bbl |
| Brent | \$35.03/bbl | -\$0.58/bbl |
| IPE Gasoil | \$311.75/t | -\$1.75/t = -\$0.24/bbl |
| MOPS Kero | \$43.65/bbl | +\$0.725/bbl |