



Daily Oil Market Comment

10/06/04

Futures prices ended up on the day after US Inventory data showed lower stock builds than anticipated. This led to some short covering which saw intra day movement of over \$1/bbl. Analysts and traders are now starting to focus on heating oil stocks which are not building as per the seasonal norm. Again the argument will be focused on tight refining capacity in a market of increasing demand. Technically the market is still in short term uptrend but with prices appear to have found strong support at \$37 for WTI.

US Dept Of Energy - Change in Weekly Stocks (millions/bbls):

Crude	+0.4
Gasoline	+2.1
Distillates	-0.6

Singapore prices fell but not as much as crude as strong regrade bidding by banks supports the markets. Also the sellers of kero in physical market not as aggressive waiting for the results of CAO tender. Expect Singapore prices to be up 50-60 cents per barrel this morning.

Closing Prices June 9, 2004:

WTI	\$37.54/bbl	+\$0.26/bbl
Brent	\$35.29/bbl	+\$0.24/bbl
IPE Gasoil	\$314.50/t	+\$0.75/t = +\$0.10/bbl
MOPS Kero	\$42.45/bbl	-\$0.40/bbl