China Aviation Oil (Singapore) Corporation Ltd
中国航油（新加坡）股份有限公司

Daily Oil Market Comment

17/11/04

Oil prices fell again after an initial rally lost momentum. Prices originally firmed on reports that the Iraqi oil pipeline to Turkey was operating at 50% following sabotage, but prices turned around as more forecasts came out for US inventory predicting builds in crude and products. The inventory data is published tonight. Technically the market remains in the down trend with WTI having strong support at $45 but needs to settle above $50.14/bbl to regain the uptrend.

Singapore prices were down $0.90/bbl yesterday as prices caught up with futures movements from Friday night and Monday. Trading Company Hin Leong was still attempting to support the market by buying 3 gasoil cargoes and 3 kerosene cargoes but the swaps sellers were more aggressive. Expect Singapore prices to be down another $0.40/bbl this morning.

Closing Prices Tuesday November 16, 2004:

WTI (Dec)	$46.11/bbl	-$0.76/bbl
WTI (Jan)	$46.20/bbl	-$0.75/bbl
Brent (Jan)	$42.25/bbl	-$0.75/bbl
IPE Gasoil	$406.50/t	+$6.25/t = +$0.84/bbl

Asian Day Market Movement

Oil prices were relatively steady during Asian trading hours as the market is now unsure of price direction. Whilst the technicals point to weaker prices as the market continues in the downtrend, the fact that prices rebounded off the lows last night sees many analysts forecasting higher prices. Most traders will wait for the US Inventory data to be released Wednesday night.

Singapore prices will be down about $0.80 to $0.90 per barrel as prices catch up to Friday night's and Monday's futures price movements. Singapore swaps were offered aggressively despite Hin Leong continuing their buying spree on physical gasoil and kerosene cargoes when they purchased 3 parcels of each product.

Prices As At 5:30pm Singapore Time Tuesday November 16, 2004:

WTI (Dec)	$46.79/bbl	-$0.08/bbl
WTI (Jan)	$46.91/bbl	-$0.04/bbl
Brent (Jan)	$43.03/bbl	-$0.01/bbl
IPE Gasoil	$405.50/t	+$5.25/t = +$0.70/bbl
Singapore Kerosene	$55.85/bbl	-$0.85/bbl