



Daily Oil Market Comment

07/10/04

Oil prices up another \$1 per barrel and new historic highs. Oil futures soared once again following the release of US Inventory data which in total was neutral but traders are picking out only bullish news to support their thirst and for length. Distillates was the only product to show a draw and this combined with the US Department of Energy revising the global demand for 4th Quarter up to 84.4 million barrels per day was enough to send prices up. There was also news that Nigerian Oil workers will strike if the Government doesn't decrease petrol prices ! Technically the market remains in a steep uptrend with WTI needing to settle below \$49.85/bbl to reverse the trend.

Singapore prices were unchanged yesterday despite rising futures prices as the market is becoming weighed down under excess supplies following record refining margins and demand slowly dropping off at high prices. If Singapore products follow futures prices then prices could rise another \$0.70 per barrel today.

Closing Prices Wednesday October 6, 2004:

WTI	\$52.02/bbl	+\$0.93/bbl
Brent	\$47.99/bbl	+\$0.89/bbl
IPE Gasoil	\$450.00/t	+\$5.00/t = +\$0.67/bbl

Asian Day Market Movement

Oil prices continued their upward move amid concerns that US Gulf production is still below normal following Hurricane Ivan whilst demand remains strong and stocks are low. Traders are forecasting US distillate stocks will fall this week and this is causing a lot of buying in the market.

Singapore prices are up only marginally despite the stronger futures with more aggressive offers in both physical and swaps markets. There is no shortage of either kerosene or gasoil in Asia and demand seems to be dampened by the high prices. Singapore prices are expected to be up \$0.15/bbl today.

Prices As At 5:30pm Wednesday October 6, 2004:

WTI	\$51.43/bbl	+\$0.34/bbl
Brent	\$47.60/bbl	+\$0.47/bbl
IPE Gasoil	\$447.25/t	+\$2.25/t = +\$0.30/bbl
Singapore Kero	\$5795/bbl	+\$0.15/bbl