



Daily Oil Market Comment

05/10/04

Oil prices slipped marginally overnight on small profit taking following WTI's rise to \$50/bbl on Friday. This is only the second price drop in the past 13 trading days. Market is basically trading sideways between \$49 and \$50 per barrel waiting for more price direction/news. Whilst the US Gulf has still to get back to normal production, crude imports should be increasing. However, there does not seem to be any news that will cause a big drop in oil prices. Technically the market remains in strong uptrend.

Singapore prices fell \$0.85/bbl on the back of aggressive physical offers by Shell and BP with Hin Leong buying 3 kerosene parcels at good discounts. Product remains well offered but traders believe the kerosene market will tighten as we head into winter and Japan has low stocks. Expect Singapore prices to be up \$0.30/bbl today.

Closing Prices Monday October 4, 2004:

WTI	\$49.91/bbl	-\$0.21/bbl
Brent	\$46.19/bbl	-\$0.43/bbl
IPE Gasoil	\$441.25/t	+\$0.25/t = \$0.03/bbl

Asian Day Market Movement

Oil prices were lower during Asian trading with some profit taking following Friday's rally. Sentiment slightly weaker on reports that Nigerian rebels and the government had reached another ceasefire. However, price movement will be determined by how New York reacts which typically sees prices rally at their close. Technically the market remains in steep uptrend.

Singapore prices were lower with futures as well as aggressive offers by Shell & BP in the physical market with Hin Leong buying 3 parcels at bigger discounts than last week. However prices still remain very high and refining margins are still extremely strong which should encourage more kerosene to be produced but the market is still strong on belief that market will tighten during winter.

Prices As At 5:30pm Singapore Time, Monday October 4, 2004:

WTI	\$49.61/bbl	-\$0.51/bbl
Brent	\$45.99/bbl	-\$0.63/bbl
IPE Gasoil	\$435.25/t	-\$5.75/t = -\$0.77/bbl
Singapore Kero	\$58.15/bbl	-\$0.70/bbl