



Daily Oil Market Comment

17/09/04

Oil futures ended up overnight after another volatile intra day trading which saw prices trade within a \$1.25/bbl range. Prices were heading down for most of the day following the easing of Hurricane Ivan but prices rose in the last hour over concerns that some refineries that were shut may have trouble restating quickly. There will still be a loss of refining production of 2-5 days. Traders are also watching another new storm Jeanne. Technically the market is still trading sideways. Trading this morning on the after hours ACCESS is up \$0.33/bbl as Japanese cover shorts ahead of the weekend.

Singapore prices were down slightly yesterday in line with crude and Singapore Kero remains well offered with less aggressive physical bidding although BP and some banks continue to aggressively bid the swaps market. Expect prices to be up 20-30 cents per barrel this morning.

Closing Prices Thursday September 16, 2004:

WTI Oct	\$43.88/bbl	+\$0.30/bbl (contract expires Tuesday night)
WTI Nov	\$43.92/bbl	+\$0.41/bbl
Brent Nov	\$40.75/bbl	+\$0.40/bbl
IPE Gasoil	\$380.75/t	-\$12.25/t = -\$1.64/bbl

Asian Day Market Movement

Oil futures are up during Asian trading whilst Singapore prices slightly lower as the complex is lower than same time yesterday. Futures are up on concerns over Hurricane Ivan (although the drop in last night prices were due to less concerns !) and traders seeing the price fall last night as a dip and therefore a buying opportunity. Technically the market is still trending sideways.

Singapore prices slightly lower with again a lack of interest in physical cargoes. Physical kerosene remains well offered but BP is still aggressively buying the swaps to support the market whilst Hin Leong and Shell are bidding the gasoil market. Expect Singapore prices to be down 10 cents per barrel today.

Prices as at 5:30pm Singapore Time Thursday September 16, 2004:

WTI Oct	\$44.13/bbl	+\$0.55/bbl
WTI Nov	\$44.03/bbl	+\$0.50/bbl
Brent Nov	\$40.96/bbl	+\$0.61/bbl
IPE Gasoil	\$389.50/t	-\$3.50/t = -\$0.47/bbl
Singapore Kero	\$54.95/bbl	-\$0.10/bbl