



Daily Oil Market Comment

09/09/04

Oil futures softened overnight as OPEC President told a conference that it has immediate spare capacity of 1-1.5 million barrels per day and an additional 1 million barrels per day capacity that can be brought online by early next year. Technically the market remains on the downtrend for crude but product prices are holding.

Singapore prices were firmer with more aggressive buying of both gas oil and kero in both the physical and paper markets despite the physical cargoes being well offered. Expect Singapore prices to be unchanged today.

Closing Prices Wednesday September 8, 2004.

WTI	\$42.77/bbl	-\$0.54/bbl
Brent	\$40.39/bbl	-\$0.37/bbl
IPE Gasoil	\$377.50/t	+\$4.00/t = +\$0.54/bbl

Asian Day Market Movement

Oil prices were weaker during Asian trading but were around similar levels to this time yesterday. Sentiment is still weaker on technical selling in the absence of any bullish news. WE do not expect prices to move too much until US inventory data is released Thursday night.

Singapore prices will be steady with continued aggressive buying in gasoil by Hin Leong . Kero remains well offered but Hin Leong emerged to buy a cargo from Vitol at a lower discount than yesterday's numbers.

Prices as at 5:30PM Singapore Time, Wednesday September 8, 2004:

WTI	\$42.98/bbl	-\$0.33/bbl
Brent	\$40.54/bbl	-\$0.22/bbl
IPE Gasoil	\$372.75/t	-\$0.75/t = -\$0.10/bbl
Singapore Kero	\$51.70/bbl	Nil

Please note that the price quoted for Singapore Kero is CAO's estimated value only.