Daily Oil Market Comment

14/07/04

Futures prices generally ended slightly lower after recovering from earlier weakness during Asian trading on a lack of decisive news. IEA released their forecast for 2005 which predicted oil demand to grow bt 1.82million bbls per day or 2.2%. This report was neutral because the growth (bullish) is lower than 2004 (bearish). Fundamentally there remains no shortage of crude but US and European stocks are still historically low. Technically the market remains in an uptrend. Traders now waiting for the release of US inventory data later tonight for more price direction. After hours ACCESS trading is up another 15 cents per barrel mainly on Japanese buying.

Singapore prices fell yesterday as they caught up with the previous night's futures fall. Kero still remains well offered and gasoil well bid but still the paper market is seeing the reverse. Expect Singapore prices to be up 35 cents per barrel this morning.

Clsoing Prices for July 13, 2004:

WTI	$39.44/bbl	-$0.06/bbl
Brent	$36.69/bbl	+$0.06/bbl
IPE Gasoil	$333.50/t	-$14.25/t = -$1.91/bbl
MOPS Kero	$46.775/bbl	-$1.125/bbl

Asian Day Market Movement

Oil prices continued their drop in price during Asian trading on Tuesday. Futures prices fell on the lack of any bullish news leading to contiunued profit taking. Technically the market remains in the uptrend and the downside is seen as limited.

Singapore prices fell more heavily on more sellers after yesterday's rally and catching up to the futures fall late in the night. Singapore kero remains well offered with little buying interest whilst gasoil is the reverse with strong buying interest. Despite the fall, refining margings remain at historical highs. Expect Singapore prices to fall approximately $1/bbl today.

Prices at at 5:30PM Singapore Time - July 13, 2004:

WTI	$39.07/bbl	-$0.43/bbl
Brent	$36.16/bbl	-$0.48/bbl
IPE Gasoil	$334.50/t	-$13.25/t = -$1.78/bbl
Singapore Kero	$47.80/bbl	-$1.10/bbl