



Daily Oil Market Comment

08/06/04

Futures prices rose for the first time in 4 days on some refinery problems in the US which resulted in gasoline futures rising and this supported the rest of the complex. Prices initially dropped during Asian trading and London morning, but then rebounded during New York trading. Technically the market remains on short term downtrend, but since futures held the 34 day Moving Average, sentiment is that prices could not fall any more. Fundamentally, the market remains well supplied for crude but gasoline stocks are still low. Some analysts are also now focusing on the heating oil stocks as they should be building more than they have been during the off season.

Singapore prices continued to ease in line with the early futures movement. Kero remains well supplied but appears the sellers are getting less aggressive, probably waiting for the CAO tender. Expect Singapore prices to be up about 75 cents this morning.

Closing Prices June 7, 2004:

WTI	\$38.66/bbl	+\$0.17/bbl
Brent	\$35.96/bbl	+\$0.29/bbl
IPE Gasoil	\$311.50/t	-\$1.50/t = -\$0.20/bbl
MOPS Kero	\$42.575/bbl	-\$0.525/bbl