



## Daily Oil Market Comment

09/11/04

Oil prices ended down overnight but little change from the Asian trading time as traders continue to sell in technical sell-off. Fundamentally nothing has changed too much except crude oil stocks have improved, but distillate stocks have not. Technically the market is in the downtrend but is getting to the oversold side of things. Traders now waiting for the US Inventory data due out Wednesday night for more price direction. The Non-Commercials (large speculators such as hedge funds) are now holding their smallest amount of length this year.

Singapore prices ended unchanged despite some aggressive buying by trading company Hin Leong of both gasoil and kerosene. Other than Hin Leong, there is little other buying interest seen except China is looking for two jet fuel cargoes. In the paper market, gasoil swaps are well bid on the back of Hin Leong's purchases whilst kerosene swaps are not as strong. Expect Singapore prices to be up \$0.020/bbl this morning.

Closing Prices Monday November 8, 2004:

WTI	\$49.09/bbl	-\$0.52/bbl
Brent	\$45.92/bbl	-\$0.50/bbl
IPE gasoil	\$420.50/t	+\$9.50/t = +\$1.29/bbl

### Asian Day Market Movement

Oil futures prices were easing once again during the Asian trading following Friday night's late rally. Technically the markets still in a downtrend and so could go lower unless there is some bullish news that would impact supply.

Singapore prices are firmer from Friday's trading as they still had room to catch up from the futures rally. However, physical trading finally saw some life with Trader Hin Leong coming out to buy gasoil and jet at firmer prices which should almost eliminate the discounts. There appears to be better demand for both gasoil and jet fuel for China but else the market remains thin.

Prices As At 5:30pm Singapore Time Monday November 8, 2004:

WTI	\$49.02/bnbl	-\$0.59/bbl
Brent	\$45.96/bbl	-\$0.46/bbl
IPE Gasoil	\$412.25/t	+\$1.25/t = +\$0.17/bbl
Singapore Kero	\$58.50/bbl	+\$0.33/bbl