



Daily Oil Market Comment

08/11/04

Oil prices rallied late Friday night on short covering ahead of the weekend. There was no news to support the price rise, but traders still get nervous over what can happen during weekends due to the high tensions in the middle east. Technically the market is still in a downtrend and there are different views on where the market should go. Some analysts say that because WTI did not break the resistance level of 49.85, prices should weaken. Other analysts see the rally on Friday as supportive with room to move up further. After hours ACCESS has WTI down 25 cents this morning.

Singapore prices fell \$1.53/bbl in line with futures prices at the time. Physical markets remain quiet due to the volatile prices with little buying or selling interest seen. The swaps markets still remain better bid than the physical markets. Expect Singapore prices to be up \$0.75 to \$1.00/bbl this morning.

Closing Prices Friday November 5, 2004:

WTI	\$49.61/bbl	+\$0.79/bbl
Brent	\$46.92/bbl	+\$0.41/bbl
IPE Gasoil	\$411.00	-\$15.00/t = -\$2.01/bbl

Asian Day Market Movement

Oil prices down marginally during the Asian Trading day following last night's steep drop. Prices keeping steady ahead of the weekend but market still a bit weak based on technicals. Fundamentally, little has changed in that crude stocks are still low, even though they have improved over past 6 weeks and distillate stocks still very low. Technically the market is in downtrend and should weaken more.

Singapore prices did fall as they caught up to some extent to the futures markets, but the fall was limited by aggressive swaps buying in the gasoil market by Hin Leong. The physical markets remain quiet with buyers improving their bids and sellers not offering down. This will again result in a lower discount than previous days.

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

WTI	\$48.69/bbl	-\$0.13/bbl
Brent	\$45.71/bbl	-\$0.30/bbl
IPE Gasoil	\$412.00/t	-\$8.00/t = -\$1.07/bbl
Singapore Kero	\$5835/bbl	-\$1.35/bbl