



Daily Oil Market Comment

20/09/04

Oil futures surged to a four week high on Friday night as traders took length expecting supply shortages resulting from Hurricane Ivan. With numerous refineries closed for the storm, it will definitely reduce stocks. Technically the market is back to a firm short term uptrend.

Singapore prices were slightly weaker despite firming crude in a well offered physical market. Hin Leong is still a buyer of physical gasoil whilst BP is bidding for physical kerosene but not as aggressively as before. Expect prices to be up \$1.20 per barrel this morning.

Closing Prices Friday September 17, 2004:

WTI Oct	\$45.59/bbl	+\$1.71/bbl
WTI Nov	\$45.59/bbl	+\$1.67/bbl
Brent Nov	\$42.75/bbl	+\$1.70/bbl
IPE gasoil	\$393.00/t	+\$12.25/t = +\$1.64/bbl

Asian Day Market Movement

Oil prices were mixed during Asian trading with futures up from last night's settlement but at similar levels to yesterday's Asian close whilst Singapore prices down slightly. Futures were up again on concerns that a new tropical storm Jeanne will disrupt crude and refinery production again just as those facilities were coming back on line following the passing of Hurricane Ivan. Technically the market is still trading sideways.

Singapore prices were down slightly on more aggressive offers. Singapore gasoil was down despite four cargoes trading as BP sold down the swaps aggressively whilst Singapore kero remains well offered on physical cargoes but market is quiet on the swaps. Expect Singapore prices to be down \$0.25/bbl today.

Prices As At 5:30pm Singapore Time Friday September 17, 2004:

WTI Oct	\$44.13/bbl	+\$0.25/bbl
WTI Nov	\$44.10/bbl	+\$0.18/bbl
Brent Nov	\$41.10/bbl	+\$0.35/bbl
IPE Gasoil	\$390.00/t	+\$9.25/t = +\$1.24/bbl
Singapore Kero	\$54.70/bbl	-\$0.25/bbl