



Daily Oil Market Comment

14/09/04

Oil prices rebounded yet again overnight to continue their rollercoaster ride....up \$1.84..down \$1.80...up \$1.06 ! Prices firmed last night over concerns that Hurricane Ivan will disrupt crude oil supplies and product supplies from the US Gulf which supplies 50% of the US market. Companies have already evacuated many crude platforms. Technically the market is still trading sideways. Traders will also wait for the US inventory data to be released tomorrow night for more direction.

Singapore prices fell as they partially caught up with previous nights futures fall. Despite the physical markets being well offered, traders are now making aggressive bids and sellers are backing off on prices waiting for prices to rise. Expect Singapore prices to be up \$0.60-\$0.70/bbl this morning.

Closing Prices Monday September 13, 2004:

WTI	\$43.87/bbl	+\$1.06/bbl
Brent	\$41.06/bbl	+\$0.86/bbl
IPE Gasoil	\$385.25/t	Nil

Asian Day Market Movement

Oil prices were up again during Asian trading on fears that Hurricane Ivan will disrupt US Gulf crude production and product supplies. The market is also cautious about OPEC meeting on Wednesday although any decision they make other than cutting production will not impact actual supply. Technically the market is moving sideways.

Singapore prices should end down from Fridays surge as crude futures are down relative to Friday. However, prices are not falling as rapidly as crude as products deem more supported heading into winter. On the physical trading Hin Leong remains the aggressive bidder for gasoil whilst BP is the aggressive bidder for kero. Although kero remains well offered, sellers are not being too aggressive as they wait for BP to increase their bid. Prices should be down \$1.25/bbl today.

Prices As At 5:30pm Singapore Time Monday September 13, 2004:

WTI	\$43.21/bbl	+\$0.40/bbl
Brent	\$40.62/bbl	+\$0.42/bbl
IPE Gasoil	\$379.75/t	-\$5.50/t = -\$0.74/bbl
Singapore Kero	\$53.55/bbl	-\$1.25/bbl