



Daily Oil Market Comment

17/08/04

Futures prices eased overnight but stayed at similar levels to the Asian close. Prices came off following President Chavez winning the referendum to stay in office as it eased fears over an oil industry strike in case he lost the referendum but would not leave office. The market now switches its attention back to concerns over Iraq and Yukos. Technically the market remains in a strong uptrend and WTI needs to settle below \$44.50/bbl to break the trend.

Singapore prices soared as they caught up with Friday night's futures increase. The Singapore market remains balanced with buyers now getting more aggressive as they get used to the higher prices. Expect Singapore prices to be down about 10 cents per barrel this morning.

Closing Prices Monday August 16, 2004:

WTI Sep	\$46.10/bbl	-\$0.53/bbl
WTI Oct	\$45.69/bbl	-\$0.34/bbl
Brent Oct	\$42.69/bbl	-\$0.22/bbl
IPE Gasoil	\$386.25/t	+\$1.25/t = +\$0.17/bbl
MOPS Kero	\$52.525/bbl	+\$1.25/bbl

Asian Day Market Movement

Oil prices were mixed during the Asian trading day as oil futures were down slightly on some profit taking whilst Singapore prices were up following the futures surge on Friday night. Oil futures were down following reports that President Chavez won the referendum on being recalled which should lead to more stability in the market. Technically the market is on strong uptrend with little resistance at these historic highs. The market will continue to worry about Yukos and Iraq.

Singapore prices surged as they caught up with futures from Friday night. In physical market offers were less aggressive and Hin Leong bought a physical cargo at MOPS less \$0.25/bbl after the market was assessed at MOPS less \$0.775/bbl on Friday ! This will add to the Singapore price increase. Expect Singapore prices to be up \$\$1.60/bbl from Friday.

Prices as at 5:30PM Singapore Time Monday August 16, 2004:

WTI Sep	\$46.30/bbl	-\$0.28/bbl
WTI Oct	\$45.72/bbl	-\$0.31/bbl
Brent Sep	\$43.35/bbl	-\$0.53/bbl (contract expires tonight)
Brent Oct	\$42.62/bbl	-\$0.29/bbl
IPE Gasoil	\$383.75/t	-\$1.25/t = -\$0.17/bbl
Singapore Kero	\$52.90/bbl	+\$1.60/bbl