



Daily Oil Market Comment

15/07/04

Futures prices surged overnight on a combination of bullish US stock data and terrorist attack fears. US inventories unexpectedly fell for crude and gasoline whilst distillates increased. Fundamentally stocks remain higher than last year but lower than historical averages whilst demand is increasing. Technically the market remains in a strong uptrend with the possibility of WTI going to \$42/bbl again. Trading in after hours ACCESS has prices down 6 cents per barrel this morning.

US Dept Of Energy Change in Weekly Stocks (millions/bbls)

Crude	-2.1
Gasoline	-0.2
Distillates	+2.7

Singapore prices were slightly lower in a well offered market and fewer aggressive swaps buyer. However, refining margins and the regrade remain at historically high numbers. Expect Singapore prices to increase \$1.20/bbl to \$1.50/bbl this morning.

Closing Prices July 14, 2004:

WTI Aug	\$40.97/bbl	+\$1.53/bbl
Brent Aug	\$38.54/bbl	+\$1.85/bbl (contract expires tonight)
Brent Sep	\$37.74/bbl	+\$1.51/bbl
IPE Gasoil	\$338.75/t	+\$5.25/t = +\$0.70/bbl
MOPS Kero	\$46.70/bbl	-\$0.075/bbl

Asian Day Market Movement

Oil futures prices were firmer during Asian trading whilst Singapore prices fell slightly in a well offered market. Singapore refining margins remain at historical high levels. Futures prices were firmer on traders squaring positions ahead of the release of the US Inventory data tonight. Technically the market remains in an uptrend with WTI needing to settle below \$38.70 to reverse the trend.

Singapore prices weaker on both physical and paper markets as physical kero remains well offered and the aggressive bids in the swap market pulled back. Expect Singapore prices to be down \$0.10/bbl today.

Prices as at 5:30PM Singapore Time - July 14, 2004:

WTI	\$39.55/bbl	+\$0.11/bbl
Brent	\$36.83/bbl	+\$0.14/bbl
IPE Gasoil	\$335.75/t	+\$1.75/t = +\$0.24/bbl
Singapore Kero	\$46.65/bbl	-\$0.125/bbl