



## Daily Oil Market Comment

30/06/04

Futures prices ended lower as traders continue to sell the market on increasing crude supply from OPEC, Iraq and Norway. The US Inventory statistics are published tonight and will most likely set the tone for the rest of the week. Forecasts are for crude and distillates to build and gasoline to drop. Fundamentally there is no shortage of crude oil but products remain on the low side. Technically the market is in a short term down trend.

Singapore prices fell with crude and remain well offered with buyers of physical cargoes staying on the sidelines as prices drop. However, banks remain big buyers of kero swaps which continues to widen the regrade...strange when physical kero is selling at a discount. Expect Singapore prices to be down another 30-40 cents this morning.

Closing prices June 29, 2004:

|            |              |                         |
|------------|--------------|-------------------------|
| WTI        | \$35.66/bbl  | -\$0.58/bbl             |
| Brent      | \$33.11/bbl  | -\$0.59/bbl             |
| IPE Gasoil | \$311.25/t   | +\$3.00/t = +\$0.40/bbl |
| MOPS Kero  | \$42.575/bbl | -\$0.775/bbl            |

## Asian Day Market Movement

Prices were traded lower again today as traders continued the sell off after US handed control back to Iraq and a lack of any bullish news. Fundamentally the market remains quiet but well offered on crude but US product stocks still low. Technically the market remains in downtrend.

Singapore physical Kero remains well offered by refiners but kero swaps remain well bid by the banks, so the regrade continues to widen. Gasoil continues to be offered aggressively by Hin Leong with buyers retreating to the sidelines. Expect Singapore prices to be down 60-70 cents per barrel today.

Prices as at 5:30pm Singapore time June 29, 2004 (and change from yesterdays closing prices):

|            |             |                         |
|------------|-------------|-------------------------|
| WTI        | \$35.91/bbl | -\$0.33/bbl             |
| Brent      | \$33.38/bbl | -\$0.32/bbl             |
| IPE gasoil | \$306.50/t  | -\$1.75/t = -\$0.24/bbl |
| MOPS Kero  | \$42.70/bbl | -\$0.65/bbl             |