



Daily Oil Market Comment

28/06/04

Futures prices ended lower on Friday night after the Norwegian Government forced the oil workers and companies to go back to work. Iraqi exports are also back to their post war level of 1.7-1.8 million bpd. Prices on after hours ACCESS are down 40 cents this morning on this bearish news. However, prices could bounce back this week as we expect more violence in Iraq with the hand over of sovereignty. Technically the market remains in short term trend but still appears to be trading sideways in a narrow range between \$37.00 and 38.50/bbl (WTI).

Singapore prices were up on Friday in response to Thursday nights crude movement but kero up the most on aggressive swaps buying, despite the physical being well offered. It still appears that the banks are the main supporters of the kero market. It seems illogical that the regrade is widening at a time when kero is discounted (weak fundamentals) and gasoil is in premium (stronger fundamentals). Expect Singapore prices to be down 30-40 cents this morning.

Closing Prices June 25, 2004:

WTI	\$37.55/bbl	-\$0.38/bbl
Brent	\$34.97/bbl	-\$0.33/bbl
IPE Gasoil	\$317.00/t	-\$2.25/t = -\$0.30/bbl
MOPS Kero	\$43.95/bbl	+\$0.55/bbl