



Daily Oil Market Comment

02/11/04

Oil prices fell heavily to a four week low on profit taking ahead of the US Presidential election. Initially the market firmed on reports of a Nigerian general strike on November 16, but then selling took over with reports that US manufacturing growth was the slowest in a year and Iraqi exports were at their highest level of 1.84 million barrels per day since the War. Technically the market is in the down trend and since it broke the 34 Day Moving Day Average, there should be more downside risk.

Singapore prices were up \$0.75/bbl with futures at the time but the markets remained quiet in a volatile market. Gasoil remains well offered with no bids whilst kerosene is balanced with some buying and selling interest but neither side being aggressive. Expect Singapore prices to fall \$1.60/bbl this morning.

Closing Prices Monday November 1, 2004:

WTI	\$50.13/bbl	-\$1.63/bbl
Brent	\$47.06/bbl	-\$1.92/bbl
IPE Gasoil	\$432.00/t	-\$17.00/t = -\$2.28/bbl

Asian Day Market Movement

Oil prices rallied on Monday during Asian trading on concerns over a general strike in Nigeria on November 16 and a power outage in Kuwait shutting down 2 refineries. The market is also jittery over the uncertainty of the US Presidential elections. Technically the market is in short term downtrend but because it held the 34 Moving Day Average on Friday, the market should find support there and move up.

Singapore prices were up on the back of crude and gasoil futures rally from Friday night. The physical market remains quiet with volatile prices but kerosene remains better bid than gasoil, but neither bids nor offers are aggressive.

Prices As At 5:30pm Singapore Time Monday November 1, 2004:

WTI	\$52.14/bbl	+\$0.38/bbl
Brent	\$49.35/bbl	+\$0.37/bbl
IPE Gasoil	\$456.00/t	+\$10.25/t = +\$1.38/bbl
Singapore Kero	\$60.75/bbl	+\$0.90/bbl