



Daily Oil Market Comment

11/08/04

Futures prices eased slightly after WTI hit a record high of \$45.04/bbl on reports that Iraq has resumed pumping oil through the Basrah pipeline. However, concerns still exist about impacts to supply from the Venezuelan Presidential referendum on Sunday and the impact of storms in the US Gulf. Overall, the market remains bullish but most of the bullish factors have been built into the price. Market will now wait for the US Inventory data to be released tonight for more direction. Forecasts are for small decline in stocks, which will be supportive. Technically the market remains in the uptrend with WTI needing to settle below \$42.50/bbl to break the trend.

Singapore prices eased yesterday on more aggressive selling and weaker gasoil futures in London. Physical gasoil and kero remain aggressively offered with little buying interest seen at these high numbers. Expect Singapore prices to be down 15 cents per barrel this morning.

Closing Prices Tuesday August 10, 2004:

WTI	\$44.52/bbl	-\$0.32/bbl
Brent	\$41.28/bbl	-\$0.28/bbl
IPE Gasoil	\$374.25/t	-\$13.00/t = -\$1.74/bbl
MOPS Kero	\$51.95/bbl	-\$0.125/bbl

Asian Day Market Movement

Oil prices slightly weaker during Asian trading day on slight profit taking following yesterday's rally. Market still extremely nervous about disruptions from Iraq (reports saying still exporting from storage and pipeline will reopen tomorrow), Yukos and Venezuela. Therefore, despite recording record highs yesterday, the market could try and trade over \$45/bbl tonight. However, the market has already factored in a lot of POTENTIAL production losses, so the price should not rise too much.

Singapore prices slightly higher than Friday's numbers despite the increases yesterday as traders became more aggressive sellers of swaps at these high numbers. No physical trades done but market is not well bid. Expect Singapore prices to be up \$0.05/bbl from Friday's market.

Prices As At 5:30PM Singapore Time - Tuesday August 10, 2004:

WTI	\$44.64/bbl	-\$0.20/bbl
Brent	\$41.36/bbl	-\$0.20/bbl
IPE Gasoil	\$382.00/t	-\$5.25/t = -\$0.70/bbl
Singapore Kero	\$52.10/bbl	+\$0.05/bbl