



Daily Oil Market Comment

November 12, 2004

Oil prices fell heavily overnight following Wednesday's unexpected rally. Prices increased \$1.50/bbl on Wednesday night following the release of the US Inventory data which although should another crude stock build, the distillate stocks had another fall (be it very small). However, last night, traders sold down the market after seeing the previous days rally as too much and again they concentrated on the crude stocks which saw increases for the 8th straight week. Technically the market remains in a downtrend.

US Dept of Energy Change in Weekly Stocks (Millions/barrels):

Crude Oil	+1.8
Gasoline	-0.4
Distillates	-0.1

Singapore markets were closed on Thursday but prices are expected to remain similar to Wednesday with support in the physical markets coming from a lone trading company - Hin Leong. Otherwise, the markets remain quiet due to the high price volatility.

WTI	\$47.42/bbl	-\$1.44/bbl
Brent	\$43.02/bbl	-\$5.25/bbl
IPE gasoil	\$411.00/t	-\$5.25/t = -\$0.70/bbl

Asian Day Market Movement

Oil prices continued their weakness during Asian trading with expectations that US stocks will increase when data is released tonight. There has been no news affecting fundamentals whilst technically the market remains in strong down trend. If the US stocks show a decline, then prices should rebound, otherwise we will be looking for further weakness.

Singapore prices should ease \$1/bbl following the drop in oil futures overnight, but the fall is not as much as crude with the market better bid on swaps following trading company Hin Leong's continued purchases in the physical market whereby they purchased 3 gasoil cargoes and 1 kerosene parcel. Other than Hin Leong's bidding, there appears to be little other buying interest and selling interest remains sufficient.

Prices As At 5:30pm Singapore Time Wednesday November 10, 2004:

WTI	\$47.08/bbl	-\$0.29/bbl
Brent	\$43.40/bbl	-\$0.31/bbl
IPE Gasoil	\$412.50/t	-\$8.25/t = - \$1.11/bbl
Singapore Kero	\$57.55/bl	-\$1.05/bbl