



Daily Oil Market Comment

10/11/04

Oil prices fell quite heavily overnight as traders and funds continued to sell off the market on forecasts that US oil stocks will show not only a build in crude (7th week in a row) but also in distillates as refineries come back on stream from maintenance. More stock builds are allaying fears that there will be shortages during winter. Technically the market remains in a downtrend and it will need some bullish news to reverse this trend. After hours ACCESS trading has WTI down another \$0.20/bbl this morning.

Singapore prices rose \$0.43/bbl in line with gasoil futures during Asian trading time and on the back of more aggressive bidding by trading company Hin Leong. Two kerosene cargoes were purchased by Hin Leong but the markets still remain reasonably well offered. High freight rates are close the arbitrage between regions but high refining margins are ensuring good supply. Expect Singapore prices to be down \$1.30/bbl this morning.

Closing Prices Tuesday November 9, 2004:

WTI	\$47.37/bbl	-\$1.72/bbl
Brent	\$43.71/bbl	-\$2.21/bbl
IPE Gasoil	\$420.75/t	-\$0.50/t = -\$0.07/bbl

Asian Day Market Movement

Oil prices were quiet for most of the Asian trading day but rallied when London traders opened up. There has been no news affecting the market and brokers believe the early rally is based on some traders beliefs that the market has been oversold. Most analysts expect the markets to be range bound until the US inventory data is released tomorrow night.

Singapore prices were firmer in line with gasoil futures with trading company Hin Leong again the only buyer although their buying was limited to 2 kerosene cargoes today. Swaps markets remain reasonably well bid and offered.

Prices at at 5:30pm Singapore Time Tuesday November 9, 2004:

WTI	\$49.38/bbl	+\$0.29/bbl
Brent	\$46.20/bbl	+\$0.28/bbl
IPE Gasoil	\$425.50/t	+\$5.00/t = +\$0.67/bbl
Singapore Kero	\$58.65/bbl	+\$0.48/bbl