



Daily Oil Market Comment

20/10/04

Oil prices finished lower for a second consecutive day as traders take profit following last weeks spike and amid reports that high oil prices are hurting economic impact but also encouraging development of new crude production fields. However, with the release of the US inventory data tonight prices are expected to be supported with heating oil stocks forecast to decrease again. Thus whilst prices fell they were off the lows of the day as new buyers came into the market. Technically the market remains in the uptrend.

Singapore prices fell \$2.60 per barrel on aggressive selling and in line with gasoil futures during Asian trading. The physical markets remain extremely quiet with no deals done with traders uncertain of price direction but prices still historically high. Prices are expected to be up \$0.50 per barrel this morning.

Closing Prices Tuesday October 19, 2004:

WTI (Nov)	\$53.29/bbl	-\$0.38/bbl (contract expires tonight)
WTI (Dec)	\$52.64/bbl	-\$0.20/bbl
Brent (Dec)	\$48.77/bbl	-\$0.14/bbl
IPE Gasoil	\$461.75/t	-\$6.50/t = -\$0.87/bbl

Asian Day Market Movement

Oil prices were lower again today as traders continue to sell in order to take profits. There was no news relating to the market to cause such a fall except that now a few economists are stating that the higher oil prices will affect economic growth. With the US inventory data out tomorrow night it is not expected that prices will continue to fall.

Singapore prices were weaker in line with futures in a market that remains well offered. Again there was a lack of activity in the physical markets with prices remaining high and price direction uncertain. Singapore prices should fall about \$2.45/bbl today.

Prices As At 5:30pm Singapore Time Tuesday October 19, 2004:

WTI (Nov)	\$52.75/bbl	-\$0.92/bbl
WTI (Dec)	\$52.12/bbl	-\$0.72/bbl
Brent (Dec)	\$48.26/bbl	-\$0.65/bbl
IPE Gasoil	\$460.75/t	-\$7.50/t = -\$1.00/bbl
Singapore Kero	\$60.50/bbl	-\$2.45/bbl