



Daily Oil Market Comment

18/10/04

Oil prices were slightly lower on Friday night except for the front month WIT contract which registered another record high. This contract expires on Wednesday. Prices generally lower on slight profit taking following another strong push higher during the week. The market remains bullish with US Heating Oil stocks still 8% lower than last year and distillate demand 3% higher as well as the US Gulf Of Mexico crude production remains 462,000 barrels per day lower than normal following damage caused by Hurricane Ivan.

Singapore prices were down \$0.35 per barrel with crude futures at the time. Physical trades remain scarce at such high prices but the swaps markets remain well bid on speculation of higher prices with futures. Expect Singapore prices to be basically unchanged this morning.

Closing Prices Friday October 15, 2004:

WTI (Nov)	\$54.93/bbl	+\$0.17/bbl
WTI (Dec)	\$53.97/bbl	-\$0.09/bbl
Brent (Dec)	\$49.93/bbl	-\$0.16/bbl
IPE Gasoil	\$480.50/t	-\$1.00/t =-\$0.13/bbl

Asian Day Market Movement

Oil prices were mixed during Asian trading with futures basically unchanged and Singapore prices surprisingly weaker. Crude futures are steady with prices still hovering at historic highs near \$55 per barrel. Gasoil futures continues to dominate the market with fears of stocks being too low heading into winter. Technically the market remains bullish with the next resistance level at \$57 for WTI.

Singapore prices were slightly weaker with the aggressive swaps bidders disappearing resulting in swaps being at lower levels than Thursday despite futures firming. The physical markets remain well offered and buyers remain quiet with prices still so high. Traders are still bullish on kerosene with Japanese stocks still low ahead of their winter.

Prices As At 5:30pm Singapore Time, Friday October 15, 2004:

WTI (Nov)	\$54.79/bbl	+\$0.03/bbl
WTI (Dec)	\$54.00/bbl	-\$0.06/bbl
Brent (dec)	\$50.05/bbl	-\$0.04/bbl
IPE gasoil	\$486.25/t	+\$4.75/t = +\$0.64/bbl
Singapore Kero	\$63.60/bbl	-\$0.35/bbl