



## Daily Oil Market Comment

12/10/04

Oil prices continued their record breaking rise, led last night by surging gasoil futures. IPE gasoil increased over \$2/bbl on news that European distillate stocks are 3.4% lower than last year. This caused Brent to rise but WTI was less impacted. The market still bullish on concerns that US Gulf production may not be back to normal for another 6 months as well as continued Nigerian general strikes, although the strike is not affecting oil production. Since September 22, WTI crude oil prices have risen \$5.29/bbl, Brent crude has risen \$5.73/bbl and IPE gasoil has risen \$66.75/t or \$8.96/bbl !

Singapore prices were up \$1.88/bbl on the back of IPE gasoil futures rise from Friday night. Despite the physical markets being very thin due to the high prices, the swaps markets are surging ahead on speculation in this bullish market. Singapore prices could be up anywhere from \$0.75/bbl (crude rise) to \$2.00/bbl (IPE Gasoil rise) this morning.

Closing Prices Monday October 11, 2004:

WTI	\$53.64/bbl	+\$0.33/bbl
Brent	\$50.66/bbl	+\$0.95/bbl
IPE Gasoil	\$489.25/t	+\$16.25/t = +\$2.18/bbl

## Asian Day Market Movement

Oil prices were mixed during Asian trading with futures prices down slightly but Singapore catching up with Friday night's rise. Futures prices down slightly on London opening on some profit taking following reports that the Nigerian general strike will not impact oil exports. However, the market remains super bullish on concerns of low stocks and increasing demand. Gasoil/Heating Oil futures rallied sharply on Friday night.

Singapore prices are likely to jump \$2 per barrel on the back of the IPE gasoil futures. Singapore gasoil remains well offered with no bids but Singapore kerosene only attracted one bid and offer with neither party being aggressive. Once again traders are more aggressive in the paper markets which is pushing up the physical prices.

Prices As At 5:30pm Singapore Time, Monday October 11, 2004:

WTI	\$53.00/bbl	-\$0.31/bbl
Brent	\$49.55/bbl	-\$0.16/bbl
IPE Gasoil	\$473.00/t	Nil
Singapore Kero	\$6055/bbl	+\$2.05/bbl