



## Daily Oil Market Comment

20/08/04

Oil prices soared yet again overnight following increased violence in Iraq with traders fearing such violence will cut Iraqi exports more. Iraq's South Oil Company's office in Basra was attacked by militia, looted then set ablaze. Supporters of Cleric al-Sadr also said they would set oil wells alight if US forces did not stop attacks in Najaf. Iraq's oil exports from the south are already at half or 1 million barrels per day due to attacks on pipelines. This latest price increase is again on fears of supply disruption rather than actual disruption.

Singapore prices were firmer with futures during Asian trading yesterday as well as aggressive swap bidding despite a lack of buying interest in physical cargoes. Expect Singapore prices to be up \$1.20/bbl today.

Closing Prices Thursday August 19, 2004:

WTI Sep	\$48.70/bbl	+\$1.43/bbl (contract expires tonight)
WTI Oct	\$47.64/bbl	+\$1.29/bbl
Brent Oct	\$44.33/bbl	+\$1.30/bbl
IPE Gasoil	\$398.00/t	+\$6.25/t = +\$0.84/bbl

## Asian Day Market Movement

Oil prices were firmer during Asian trading despite lack of any fresh news. The market is still extremely bullish over concerns of Yukos, Iraq and strong product demands. With the weekend approaching and little news that can be seen as bearish, we should expect the market to keep firming.

Singapore prices are up with futures and continued aggressive swap buying despite the physical market not attracting any deals. Physical kero remains well offered. Expect Singapore prices to be up 50-55 cents per barrel today.

Prices As At 5:30PM Singapore Time - Thursday August 19, 2004:

WTI Sep	\$47.49/bbl	+\$0.22/bbl
WTI Oct	\$46.58/bbl	+\$0.23/bbl
Brent	\$43.30/bbl	+\$0.27/bbl
IPE Gasoil	\$394.00/t	+\$2.75/t = +\$0.37/bbl
Singapore Kero	\$54.45/bbl	+\$0.525/bbl