



Daily Oil Market Comment

23/07/04

Oil prices surged once again on the back of a drop Natural Gas stocks in the US and reports that Yukos could go bankrupt if the Russian Government takes control of their Siberian crude production company. It is a long stretch to equate a drop in natural gas stocks to cause a surge in oil prices in the middle of summer, but Funds and traders will take any bullish news in this market to buy. Obviously, technically the market remains in a strong uptrend and WTI needs to settle below \$38.90 to reverse this trend. Trading in after hours ACCESS has WTI up 11 cents this morning as Japanese traders do some short covering.

Singapore prices were down slightly yesterday on the back of weaker swaps market. Physical kero remains well offered and gasoil well bid in a tightening market. Banks are still the main buyers of kero paper. Expect Singapore prices to be up anywhere between \$0.60 to \$1.00/bbl this morning.

Closing Prices for July 22, 2004:

WTI	\$41.36/bbl	+\$0.78/bbl
Brent	\$38.01/bbl	+\$0.85/bbl
IPE Gasoil	\$356.25/t	+\$1000/t = +\$1.34/bbl
MOPS Kero	\$48.475/bbl	-\$0.10/bbl

Asian Day Market Movement

Oil prices generally firmed marginally during Asian trading in a quiet market. Futures prices were up on generally bullish sentiment following price fall on Tuesday. Traders waiting for more news before taking new positions. Technically the market remains in a strong uptrend.

Singapore kero prices will be down marginally as the regrade was weaker today due to higher gasoil prices. In physical market BP bid aggressively bid up the gasoil whilst kero remains well offered. Expect prices to be down 10 cents today.

Prices as at 5:30PM Singapore Time:

WTI	\$40.72/bbl	+\$0.14/bbl
Brent	\$37.40/bbl	+\$0.24/bbl
IPE Gasoil	\$345.75/t	-\$0.50/t = -\$0.07/bbl
Singapore Kero	\$48.45/bbl	-\$0.10/bbl