



## Daily Oil Market Comment

27/10/04

Oil prices rallied once again as traders went long ahead of the release of the weekly US inventory statistics tonight with forecasts of distillate stocks again falling. The market is worried that heating oil stocks are too low heading into winter. Prices again traded in a wide intraday range of \$1.20/bbl. Technically the market remains in a strong uptrend with WTI needing to settle below \$53.30 to break the short term trend.

Singapore prices fell \$0.85/bbl on more aggressive selling in the swaps markets. One physical kero cargo was done (the first in over 2 weeks) but generally the market remains quiet at these high prices. The major concern remains low Japanese kerosene stocks heading into winter. It is expected that Singapore prices will go up \$1.20/bbl this morning.

Closing Prices Tuesday October 26, 2004:

WTI	\$55.17/bbl	+\$0.63/bbl
Brent	\$51.56/bbl	+\$0.78/bbl
IPE gasoil	\$488.75/t	-\$4.00/t = -0.54/bbl'

## Asian Day Oil Market Movement

Oil prices were slightly weaker during Asian trading as some profit taking continued following the Norwegian Government's intervention to end the 16 week oil workers strike. However, with forecasts for distillate stocks in the US to drop about another 2 million barrels last week, the downside for oil should be limited. Inventory data will be released tomorrow night. technically the market remains in an uptrend.

Singapore prices were weaker as they caught up with overnight crude drop. Physical kero is now seeing more bids but the market remains well supplied whilst gasoil market remains quiet. The market remains bullish with low Japanese stocks of kerosene ahead of winter.

Prices As at 5:30pm Singapore Time Tuesday October 26, 2004:

WTI	\$54.33/bbl	-\$0.21/bbl
Brent	\$50.55/bbl	-\$0.23/bbl
IPE Gasoil	\$485.00/t	-\$7.75/t = -\$1.04/bbl
Singapore Kero	\$62.60/bbl	-\$0.80/bbl