



## Daily Oil Market Comment

16/09/04

Oil futures surprisingly fell overnight after initially rallying following the release of US inventory data. US crude stocks fell a whopping 7.1 million barrels last week which saw prices rally nearly \$1/bbl. Then reports came in that Hurricane Ivan was turning east and would have lesser impact on the crude platforms so prices fell. In other news OPEC agreed to increase the official production quotas by 1 million barrels per day, but this has no impact on the market as they are already producing 2 million barrels per day over. Technically the market is again on the downtrend, but realistically it is more sideways. Trading on the after hours ACCESS this morning has WTI up 22 cents as traders view last nights movement as a dip.

### US Dept of Energy Inventory Data (millions of barrels)

	Weekly Change	Total	Yearly Change
Crude	-7.1	278.6	-3.0
Gasoline	-1.6	202.5	+7.6
Distillates	+1.7	128.3	+0.3

Singapore prices fell \$0.45/bbl on more aggressive offers at the higher prices and bidders not being as aggressive. Hin leong continues to support the gasoil market whilst BP is supporting the kerosene market which remains very well offered. Expect prices to be down about 60 cents per barrel this morning.

### Closing Prices Wednesday September 15, 2004:

WTI Oct	\$43.58/bbl	-\$0.81/bbl
WTI Nov	\$43.51/bbl	-\$0.83/bbl
Brent Nov	\$40.35/bbl	-\$0.83/bbl
IPE Gasoil	\$393.00/t	+\$0.50/t = +\$0.07/bbl

### Asian Day Market Movement

Oil prices were mixed in Asia with futures only up slightly during Asian trading following the markets rise for the past 2 days. Traders are now waiting for the release of the US inventory data tonight for more price direction. Consensus is that stocks will fall so we should expect more price increases tonight. Technically the market is in sideways move.

Singapore prices were down slightly as bidders were less aggressive and high prices brought out more sellers. Physical kero remains very well offered with BP the only bid. Expect prices to be down about 40 cents per barrel today.

### Prices As At 5:30pm Singapore Time Wednesday September 15, 2004

WTI	\$44.49/bbl	+\$0.10/bbl
Brent Oct	\$41.81/bbl	+\$0.08/bbl (contract expires tonight)
Brent Nov	\$41.31/bbl	+\$0.12/bbl
IPE Gasoil	\$392.25/t	-\$0.25/t = -\$0.03/bbl
Singapore Kero	\$55.10/bbl	-\$0.40/bbl