



Daily Oil Market Comment

10/09/04

Oil prices soared overnight on mildly bullish US inventory data and another hurricane heading towards the US Gulf. Prices increased \$1.84/bbl in what seems an overreaction to the statistics which saw crude stocks fall for the sixth week and gasoline stocks fell as well...both of which are seasonal (and expected). However it was enough to cause traders to short cover. Technically the market has broken the downtrend.

US Dept Of Energy Change in Weekly Stocks (millions/barrels):

Crude	-1.459
Gasoline	-2.479
Distillates	+0.294

Singapore prices were mixed with gasoil firming on aggressive cargo buying by Hin Leong and kero fell in a well offered market despite aggressive buying of swaps by banks. Singapore prices are expected to increase \$2/bbl this morning.

Closing Prices Thursday September 9, 2004

WTI	\$44.61/bbl	+\$1.84/bbl
Brent	\$42.22/bbl	+\$1.83/bbl
IPE Gasoil	\$394.25/t	+\$16.75/t = +\$2.25/bbl

Asian Day Market Movement

Oil prices were mixed during Asian trading with oil futures down slightly continuing their technical sell off whilst Singapore prices firmed. Prices are expected to trade in a narrow range prior to the release of US inventory data tonight. The forecast is for small draws for crude and gasoline and small build in distillates.

Singapore prices were firmer on aggressive bidding in the swaps markets whilst Hin Leong continued their aggressive buying for physical gasoil. Physical kero remains well offered but the banks were aggressive bidders of the October paper. Expect Singapore prices to be up 30 cents per barrel tonight.

Prices As At 5:30pm Singapore Time Thursday September 9, 2004:

WTI	\$42.68/bbl	-\$0.09/bbl
Brent	\$40.18/bbl	-\$0.21/bbl
IPE Gasoil	\$376.25/t	-\$1.25/t = -\$0.16/bbl
Singapore Kero	\$52.15/bbl	+\$0.30/bbl