



## Daily Oil Market Comment

04/09/04

Oil futures ended slightly down on Friday night which was a bit unexpected going into a long weekend in the USA. Prices initially rallied then in New York afternoon came off as traders took profit. Fundamentally there is no shortage of crude oil and product stocks ok, but still on the historical low side. But strong demand and very little incremental capacity for both crude production and refinery production is supporting the market. Technically the market is on short term uptrend (5) days but downtrend for 1 month. New York futures markets are closed for public holiday today.

Singapore prices rallied on the back of aggressive bidding in the physical kero market by BP who purchased 3 cargoes which resulted in the discount barrowing from 40 cents down to 10 cents. Expect Singapore prices to be down 50 cents this morning.

Closing Prices Friday September 3, 2004:

WTI	\$43.99/bbl	-\$0.07/bbl
Brent	\$41.23/bbl	-\$0.34/bbl
IPE Gasoil	\$375.00/t	-\$9.50/t = -\$1.28/bbl

## Asian Day Market Movement

Oil futures were steady but Singapore prices increased during Asian trading hours. Futures were little changed from overnight prices as the market looking for more news. However, as we are heading into a long weekend in the USA, it is likely that prices will firm tonight as traders will not wish to be short. Technically the market remains at the trend reversal point but sentiment remains more on the bullish side.

Singapore prices increased on the back of aggressive bidding by BP on kero as they purchased three cargoes whilst Hin Leong appears to have turned from seller to buyer in the gasoil market. Singapore prices are forecasted to be up \$0.70 per barrel today.

Prices As At 5:30PM Singapore Time Friday September 3, 2004:

WTI	\$44.13/bbl	+\$0.07/bbl
Brent	\$41.61/bbl	+\$0.04/bbl
IPE Gasoil	\$376.50/t	-\$8.00/t = -\$1.07/bbl
Singapore Kero	\$5300/bbl	+\$0.70/bbl