



Daily Oil Market Comment

03/09/04

Oil prices settled marginally higher after surging earlier during the day. Prices initially spiked (up \$1.30/bbl WTI \$45.37) following reports that Yukos could not pay wages, accounts and taxes due to frozen accounts as well as the main northern pipeline in Iraq being attacked again. However, prices came off again when the Russian Government assured the market that wages will be paid. Prices are up \$0.25/bbl this morning on after hours ACCESS trading with Japanese traders buying ahead of a long US weekend. Technically the market remains on the trend reversal point.

Singapore prices surged as they caught up with the previous nights futures rise. Physical markets were bid more aggressively by BP. Expect Singapore prices to be up \$0.25/bbl this morning.

Closing Prices Thursday September 2, 2004:

WTI	\$44.06/bbl	+\$0.06/bbl
Brent	\$41.57/bbl	+\$0.10/bbl
IPE Gasoil	\$384.50/bbl	+\$1.91/bbl

Asian Day Market Movement

Oil prices were steady on futures whilst Singapore prices firmed to catch up with the overnight price spike. No other news affecting the market as yet with analysts mixed over market direction following such a large spike. Technically the market should go up some more.

Singapore prices surged on the back of the overnight futures and more aggressive buying in the physical market by BP which will see a reduction to kero's discount. Prices are expected to increase \$2.35/bbl today. Physical kero still remains well offered but the sellers are not as aggressive as in previous days.

Prices As At 5:30PM Singapore Time Thursday September 2, 2004:

WTI	\$44.02/bbl	+\$0.02/bbl
Brent	\$41.51/bbl	+\$0.04/bbl
IPE Gasoil	\$373.75/t	+\$3.50/t = +\$0.47/bbl
Singapore Kero	\$52.45/bbl	+\$2.35/bbl