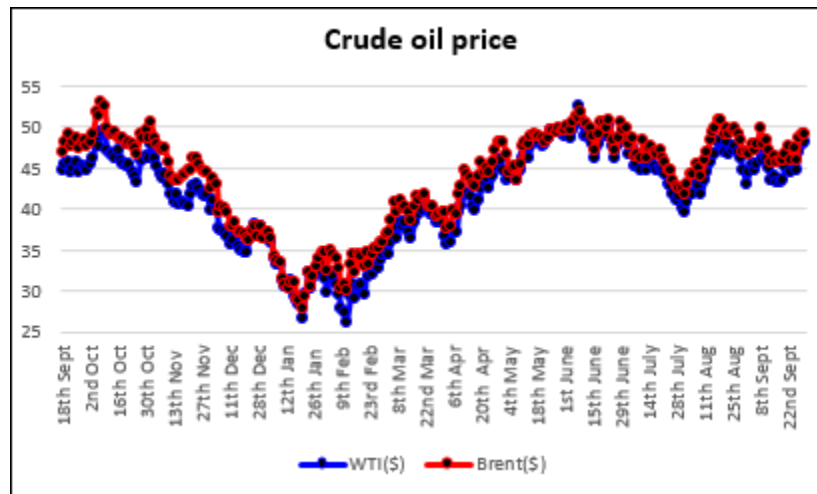


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## Calgary, Canada

Some of the news items for this week are as follows:



- The price of the barrel looked up this week due to two main reasons. First at the OPEC meeting in Algiers, the group agreed to limit their production to between 32.5 to 33 mb/d. For doing this some OPEC members will need to cut their production, and others may not have to do so. The country-wise target production levels need to be worked out and will be done until the next OPEC meeting at the end of November. Second, according to EIA, the US crude inventories, excluding those in the Strategic Petroleum Reserve, decreased by 1.9 mb during the week ended September 23<sup>rd</sup> to 502.7 mb.
- The proposed production freeze by OPEC is good news for the oversupplied oil market. Some analysts do feel that it may take the market a long time to rebalance, but the good news is that it is a step in the right direction. With this, the non-OPEC nations could be asked to cooperate and voluntarily reduce their production.
- Some market analysts as well as banks felt that the OPEC production freeze to between 32.5 and 33 mb/d may provide support to the oil process in the short term. According to Goldman Sachs if the agreement is implemented strictly in the first half of 2017, and the country-wise quotas agreed upon in the November meeting, the price of oil could go up by \$7 to \$10 a barrel. The other thing to keep in mind is that an increase in price will encourage US shale producers to come back and gain their market share. The OPEC decision on Wednesday has already prompted some shale producers to start thinking of putting their rigs back to work, and buying acreage in some higher-return plays. Considering all these developments, the global supply will exceed demand until late 2017.
- Nigeria is considering a sale of stakes in its oil and gas industry, as its economy is in a tight spot. Since the end of September 2014, the country's foreign exchange reserves have fallen to more than a third, to \$24.8 billion. The country has an average 55% stake in joint ventures run by ExxonMobil, Royal Dutch Shell, Chevron Corp., Total SA and Eni SpA which account for 90% of Nigeria's production. Nigeria has been borrowing money till now, but there is a limit to which it

can do so, and thus is contemplating the sale of its stakes. It can do so at present with the existing partners, and have a repurchase clause in any such deal. The timing for doing all this may not be favourable, but may still have to be done.

So much for the industry news this week.

#### *For the lighter side this week*

It is said that laughter is the best medicine for the human body, as it brings more oxygen to the brain, and results in deep breathing, which is good for the lungs and cardiovascular health. Laughter also makes us feel happy and if it can be induced in patients, it distracts them from their pain, or discomfort or their emotional stresses.

When we are watching a funny movie we tend to get carried away and indulge in laughter. To make this happen otherwise, it is possible to initiate or indulge in fake laughter. With this in mind, an Indian physician, Madan Kataria, introduced laughter clubs in India in the early 1990s, wherein a group of people initiate laughter through gestures and then carry that on. This has also culminated into laughter yoga, where physical exercises are centered around laughter. I witnessed this first hand in 2004, when I had visited my brother in Mumbai, and on the first morning heard a large group of people laughing away. On enquiring about it, I was told that it was the community laughing club folks engaged in their morning laughing ritual.

There are many laughing clubs in India in different cities, and people bring humour into their lives through laughter. It is catching up in other countries also.

#### *Did you know?*

... how many countries in the world are members of the United Nations? And which countries are not UN members?

There are 196 countries in the world, and 193 countries are UN members. The only three non-UN member countries are Taiwan, Kosovo and Palestine.

So much for this week! Till the next post, stay safe and happy!