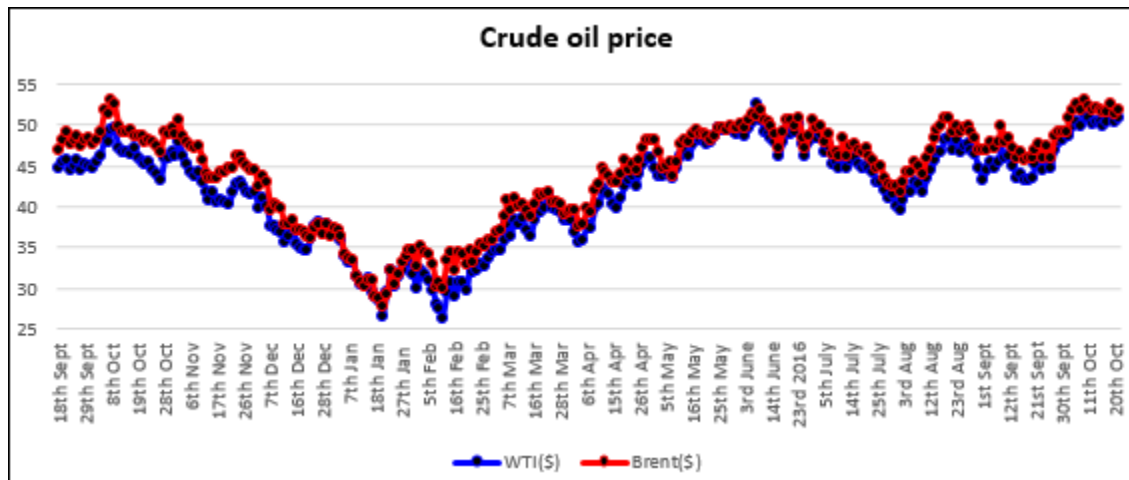


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Calgary, Canada

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



- The crude oil price gained strength and topped \$50 on the hopes that OPEC's proposed decision to cut production will go through, and Russia backing this decision. Industry analysts are however skeptical about anything meaningful coming out of it. Some dip below the \$50 mark were seen for other reasons including these: Libyan output expanded to 560,000 b/d (an increase of 20,000 b/d from last week), Iran's reiteration that it plans to boost production to 4 mb/d (from 3.89 mb/d it produces currently), and Nigeria's aim to raise its output by 400,000 b/d to 2.2 mb/d.
- In response to the \$50 price, it is expected that many US shale producers will start drilling quickly, and some have already started, but many of them have indicated that the \$50 price may not be sustainable, keeping in mind the debt many companies will take on to start producing. The crude oil price needs to go higher before the shale producers come back in a big way.
- The EIA has released its outlook for the US crude production next year to fall 1.6% from 2016 compared with 3% it predicted in September. It also increased its forecast of domestic production from 8.51mb/d that it predicted in September 2016 to 8.59 mb/d.
- As has been indicated on this blog earlier, the low oil prices seen over the last two years have forced the oil companies to cut investments and this will have serious consequences in the long term. With exploration budgets drying up and the new discoveries being at the lowest in 70 years, the global industry may not be able to supply oil even at the end of the current decade. So, for the good of the industry, the crude oil price must go up.
- In an effort to be competitive, Nigeria has lowered the selling price of all grades of crude oil by \$1 per barrel. Nigeria's export flows have got curtailed due to a militant campaign, but oil shipments are now gradually resuming.

- As the production in the Eagle Ford and Bakken shales has dropped recently, the oil production in the Permian Basin has grown and is expected to produce more than 2mb/d next month.
- With crude oil prices looking up now, Halliburton reported a Q3 profit with boosted North American sales, and this has been the first time since late 2014. Schlumberger also reported a Q3 profit on Thursday on account of North American onshore sales. Both companies are looking forward for more such business in Q4.

So much for the industry news this week.

For the lighter side this week

These days the constant sound of the smartphone ringtones at work tells us that people are in communication or are being reminded of the unfinished tasks that they need to carry out. Such routines keep them busy, and sometimes even till after the official working hours. There are professionals who are connected to work somehow, whether it is through computers or other means. Such individuals end up spending many more hours on work-related activities than they are supposed to. Many qualified youngsters or experienced professionals start liking what they do for a living, i.e. their jobs, and so work for long hours by choice. In the beginning it may be liking for the work they are doing. Gradually, it develops into a passion, and then it comes to them on its own. At a senior position, the job may be demanding, but along with it comes the authority, the prestige, renown and standing in the marketplace. All these rewards are much more or beyond the financial status that the job carries. Longer work hours result in higher productivity. The results of various surveys have indicated that such workers or professionals are not only rewarded with promotions or raised salaries, they are also saved when the companies decide on manpower reductions during downturns.

But then such people are spending their extra time working, which otherwise they would have spent as leisure or with their families. So, for such people leisure time is expensive.

The employers in some countries, especially in a production environment, incentivize the more productive individuals, as they value the work put in.

Going back to the 1970s, it is reported that the European and North American workers used to put in equivalent amounts of work. But the economic situations since then forced some changes to the working schedules and patterns. In Europe, the labour unions negotiated job stability, protection and reduced work weeks, so that in effect money was traded for time, as the mandate was that holidays are time off work, and are meant to be enjoyed.

In North America, the labour unions were less powerful and as a result tight economic cycles led to job losses, and increased competition. This in turn led to more time being spent on the job to stay ahead of the game, which thus got traded for money. Over the years, the trend has been that the leisure time getting more and more squeezed in view of the rising costs, reduced job security and work rewards. The North American culture has come to be focused more on work and career. There may be more facts at play here. Immigrants, who left everything and who settled here have sought a better life by working hard and spending less time in relaxation. The visa systems for US and Canada also give weightage to qualified people who can come and work in these countries.

The perception for Europeans is a little different in that they view work as something that has to be done so that they can enjoy their life outside of work. There is therefore no reason to prolong their work hours. They believe that human life is more precious than just performing work.

This is certainly not suggestive of pointing fingers at one or the other continental culture, but perhaps the way it is perceived around the world.

I hope you will find this interesting.

Did you know?

The national flags of some countries are similar-looking, and most of the flags have horizontal or vertical stripes.

For example, the flags of Egypt, Syria, Iraq and Yemen are very similar. Similarly, Romania, Chad, Moldova and Andorra are similar, Mexico and Italy, Australia, UK and New Zealand, El Salvador, Honduras, Nicaragua, Ivory Coast and Ireland, India and Niger are similar, and the list goes on.

Check it out at <https://www.countries-ofthe-world.com/flags-of-the-world.html>

Some of these countries with similar looking flags are related either historically or culturally.

Quiz question

I am tempted to put this question here.

Q. Of the following three rivers that flow through India, partly or fully, which is the longest?

- a. Ganges
- b. Brahmaputra
- c. Indus

A:

It is the Indus, with a length of 3180 km. Ganges is 2525 km long, and Brahmaputra is 2900 km long. Only part of Indus flows through India via Ladakh.

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