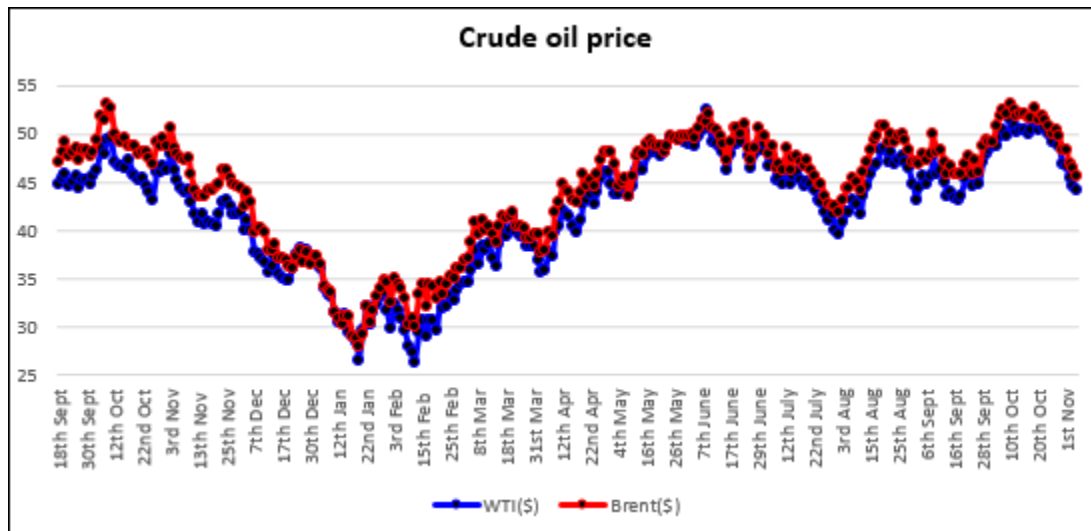


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Some of the news items for this week are as follows:



- The crude oil prices fluctuated between \$44 and \$47 this week, amidst concerns about a rise in US crude inventories last week and no breakthrough in the OPEC meeting held recently. According to the EIA, the US crude oil inventories rose by 14.4 mb last week.
- The OPEC members met at Vienna at the end of October 2016, to discuss the implementation of production cuts country-wise, and also seek the cooperation of other major suppliers. Unfortunately, after 18 hours of talks spread over two days, no decision could be reached at. Iran and Iraq, the two major suppliers in OPEC wish to be exempted from production cuts, which is the main objection to other members. Another objection is the difference between estimates used by OPEC and the other nations' own production data, as disputed by Iran, Iraq and Venezuela. Representatives from non-OPEC countries, namely Azerbaijan, Brazil, Kazakhstan, Mexico, Oman and Russia were also present at the meeting.

Oman would be willing to cut production if OPEC first reaches an internal agreement. Brazil may not restrict its output, but is likely to increase its production by 290,000 b/d to 2.9mb/d. Kazakhstan's production will also increase over the next year as its Kashagan oil field has started pumping 100,000 b/d, which is likely to increase to 200,000 b/d by the end of 2016, and 370,000 b/d by the end of 2017. Russia has been pumping over 11 mb/d and would be willing to freeze production, rather than implementing any cuts.

At the start of the meeting, the OPEC Secretary General, Mohammed Barkindo had warned of the consequences if OPEC is not able to follow through on its Algiers agreement. He said, if there is no accord reached at their meeting, the rebalancing of the oil industry could extend into the third year, and lead to further deterioration of financial conditions and setbacks in investments. The meeting ended with a promise that all the countries would continue to talk and more discussions are likely to take place at their November end meeting.

The Secretary General, speaking on Monday this week, sounded a note of optimism, and said the OPEC and the other countries are committed to reach an agreement at their November 30, meeting. Even Iraq, which has demanded its exemption from production cuts, is willing to play its part. The disputed OPEC's assessment of production from Iran, Iraq and Venezuela won't derail the accord.

According to one estimate, over the last two years, 100 North American oilfield-service companies have gone bankrupt. Exploration spending has been cut by unprecedented amounts over the last two years.

- The CEO of Royal Dutch Shell, the demand for oil could peak in the next five years. Other experts feel that if renewable energy and other disruptive technologies such as electric cars continue their advance, the demand for petroleum could peak by 2030.
- The UAE Energy Minister has said that as a result of the drop in oil prices, the global oil industry has postponed a large number of projects, which has raised the risk of a slump in output and a potential shortfall in supply in the future.
- According to Goldman Sachs Group Inc., it is unlikely that OPEC reaches an accord, and if that happens, the oil prices will stay in the low-\$40s.
- BP has reduced its capex for 2016 to \$16, from its earlier plan of \$17 - \$19 billion. The company reported a profit of \$933 million for Q3.
- Royal Dutch Shell reported its Q3 profit (adjusted to one-time items and inventory changes) to \$2.79 billion. Its acquisition of BG Group, last February helped it to counter the low price of the barrel.

So much for the industry news this week.

For the lighter side this week

Some months back I had written about a quote by a former US Army General, George S. Patton, which was '*A good plan executed today is better than a perfect plan executed at some indefinite point in the future.*' I again stumbled on another of his quotes: '*If everyone is thinking alike, then somebody is not thinking.*' I found this intriguing. It is very true.

I remember in our growing up years, we were asked not to say or do odd things, for what will our neighbours say, or what will our relatives think. Such disapproval on certain acts or freedom of expression made sure that we said or did whatever jives nicely with what is going on around us. This definitely had an impact on our thought process. When we are doing this we are censoring our actions and our thoughts, and only when they are aligned with others, we are comfortable. This, believe it or not, suppresses our originality and novelty.

I am not advocating for letting children say or do what they like, for that way our children will not learn the norms of a civilized society. We inculcate family values into our children by doing so. The idea behind doing all that is when children grow up as adults, they can distinguish 'good' from 'bad' and then act accordingly. But if implemented strictly, those constraints on our thought process also may not let us

express freely any unique ideas we may have. It takes a strong person to break away from all that, and prove any novel ideas or thoughts one may have.

But what the quote suggests is that we should not worry about what other people are thinking. We should be under no constraint on our freedom of expression, or in our thought process, and we don't need to think about everyone else. In fact, if we are thinking about everyone else, we need to step back and do some reflection or soul searching to check we are not influenced by others. Sometimes group thinking or mob mentality can have a strong influence, but it can hold us back from achieving our goals or pursuing our ambitions.

Someone can easily argue on this by saying two siblings may think alike, get similar thoughts in their minds at the same time, and so on. That could be admitted on grounds that they grow up in a similar family environment, and so may exhibit similar pattern in their behavior.

Another example one can cite is about romantic couples, who may laugh at the same time, finish each other's sentences, share similar jokes, eat similar things, have similar tastes, etc. In other words, they are in sync in whatever they do, for they are in love. We can discount this situation from our discussion.

But as adults, we can break away from traditional patterns and think outside the box, and if any idea makes sense, be vocal about it. We should have our individual stamp on it. But whatever we say or do should have originality, freshness and novelty, only then it will catch other people's attention.

I hope you will find this discussion interesting.

Did you know?

Q: Why you feel the 'ear-popping' effect, when a jet takes off or lands?

Also the air pressure reduces with height. In order to maintain a comfortable pressure inside the aircraft, it is pressurized so that passengers feel comfortable. Ideally, the air pressure and oxygen levels should be equivalent to the ground level conditions, but then the body of the aircraft should be made strong so as to maintain the high pressure inside when it is flying at high altitudes. Modern commercial jets are usually pressurized equivalent to the pressure at an altitude of 5000-8000ft. That is why you feel the 'ear-popping' effect when a jet takes off or lands, which is the effect of pressure difference on the air trapped in the ears.

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