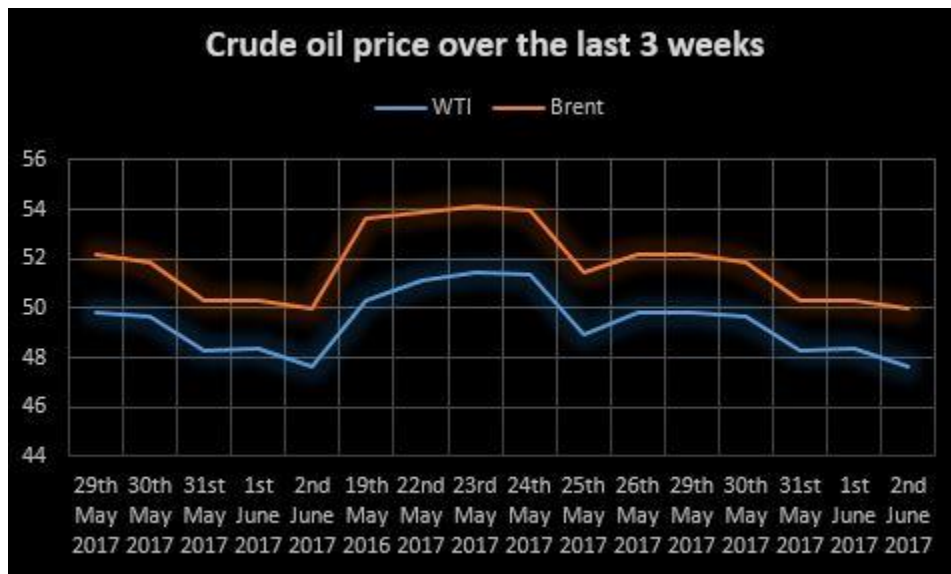
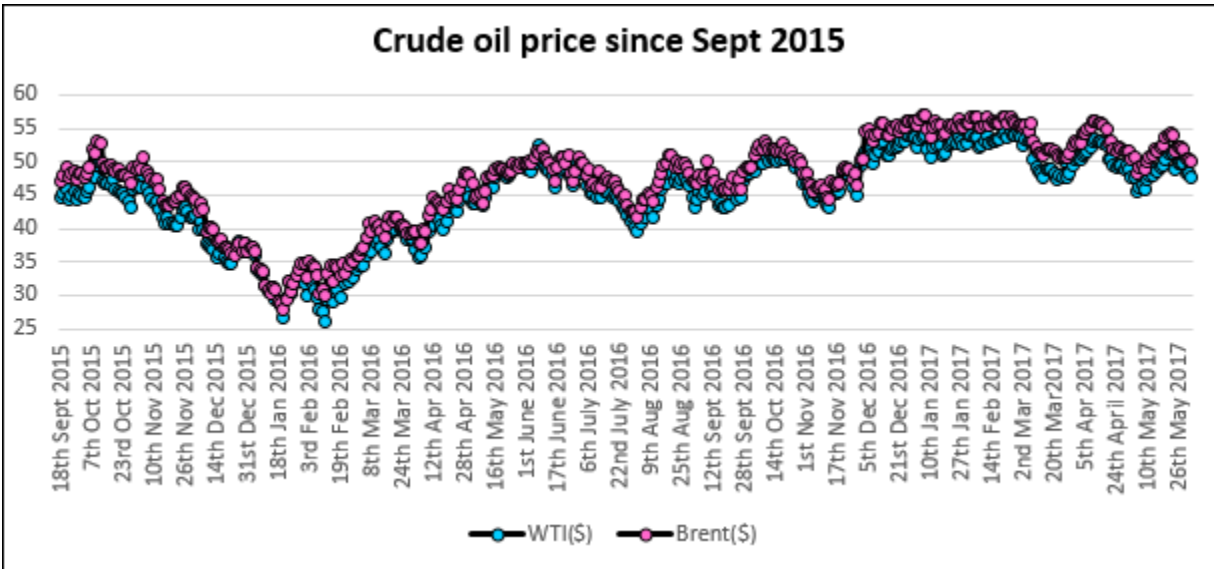


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Some of the news items for this week are as follows:



1. After the oil prices rose last week on the expectations that OPEC will succeed in bringing the inventories down, the oil prices fell this week again driven by the lack of greater cuts by OPEC, the swelling supplies from Libya and Nigeria that are exempt from cuts, and because OPEC/non-OPEC meeting did not mention any 'exit strategy'. The oil traders have been looking for more proof that these production cuts are working or are having the expected effect. Even though the US crude stockpile fell by 3 million barrels last week, the US rig count (as per Baker Hughes data) increased by 2 to 722.

2. When OPEC and other nations (a coalition of 24 countries) met in Vienna last week, besides the production cut extension announcement, officials from OPEC and Russia also spoke of continuing to cooperate beyond March 2018. This is more a vision for their partnership for the future. The OPEC and non-OPEC ministers may continue to meet once or twice a year after the current agreement ends.
3. Saudi Arabia plans to reduce exports to the US in the coming weeks, in an effort to reduce swollen crude inventories there. This was mentioned after the Vienna OPEC meeting last week by the Saudi Energy and Industry Minister, Khalid Al-Falih. So far Saudi Arabia has shipped 1.21 mb/d to the US on an average. The reduction could fall below 1 mb/d next month, which would be about 15%. There has been growing skepticism about the effectiveness of the OPEC announcement regarding the extension of production cuts for another 9 months.

Usually, between May and July the average reduction in US crude imports from Saudi Arabia has been about 5%. This is due to oil consumption increases in the kingdom, as it is used to generate electricity for air conditioning.

4. Libya's production has risen to 827,000 b/d after an increase in production from its Sharara oil field. This increase may undercut OPEC's strategy to rebalance the market and bring the prices up.
5. Exxon CEO, Darren Woods, has said that oil demand will continue to grow in the coming decades even as reports have surfaced about President Trump pulling out of the 2015 Paris accord on climate, which calls for limiting emissions to prevent global temperatures from exceeding preindustrial levels by 2°C. Speaking at Exxon's shareholders meeting on Wednesday, Woods said there is a huge untapped energy market among the 1 billion people who do not have access to electricity and 3 billion who don't use modern cooking fuels.
6. The US Interior Secretary, Ryan Zinke has issued a directive that aims at encouraging oil and natural gas development in Alaska. This follows complaints from oil companies that Obama administration was too restrictive, as it blocked drilling and the spread of pipelines across the National Petroleum Reserve in Alaska. The Trump administration has proposed raising \$1.8 billion over the next decade by opening parts of the Arctic National Wildlife Refuge for oil and gas development, which will require a change in law by Congress. All these initiatives may not sound good at the present time with lower crude prices.

So much for the industry news this week.

For the lighter side this week

Isn't it strange the people living in the United States are referred to as 'Americans', even though people living in countries from Canada, Mexico and countries in South America also live in the Americas (north and south). It is perhaps more a peculiarity in the nomenclature that the country takes on the name of the continent to refer to itself as its citizens, 'Americans'.

Historically, all present-day countries from North and South America were at some time in the past a part of the colonial system of a European power. The name 'United States of America' was coined when it broke away from its colonial roots to form a separate independent country, and dates back to the 'Declaration of Independence' in 1776. Another argument that could be made in favour of adding America to the United States would be that at the time the US became independent, the leaders wanted to draw a distinction from the European colonies, and being part of North America, added it on.

Also, it is presumptuous to some being referred to as 'THE' United States, even though there are states in other countries, e.g. Mexico, and is not referred to as 'The United States of Mexico'. Some would also justify it by saying that it is the leading country of the world, and it deserves the 'THE' tag, even though some others may get annoyed. There is also truth in that many present-day nations got inspiration from the US after its successful bid at independence, and started movements or their initial attempts based on the example set by the US. And so, in a sense it is being referred to as 'THE' United States.

Of course, after being referred to the way it has been over the last 250 years, it may be a bit late to even think of changing it.

Did you know?

We humans need to drink water; quite often I come across statements like '6 or 8 glasses of water per day are recommended'. That begs the question, whales would need to drink a whole lot more, so where do they get their water intake? Remember, we are talking about fresh water and not salt water.

We cannot drink salt water, as our kidneys cannot process large salt water content, and lots of fresh water would be required for processing the salt. Also, the doctors advise that our salt intake should be reduced to keep our blood pressure down.

Whales can extract a bulk of their water intake from the food they eat (fish and krill) during its metabolic breakdown. Remember water is a byproduct of carbohydrate and fat metabolism. Yes, whales do drink sea water at least occasionally, but their kidneys have the ability to process the salt, which is then excreted in their urine. Measurements on samples of urine of such creatures contain more than 2.5 times more salt than sea water, again confirming the explanation.

I hope you find these interesting.

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