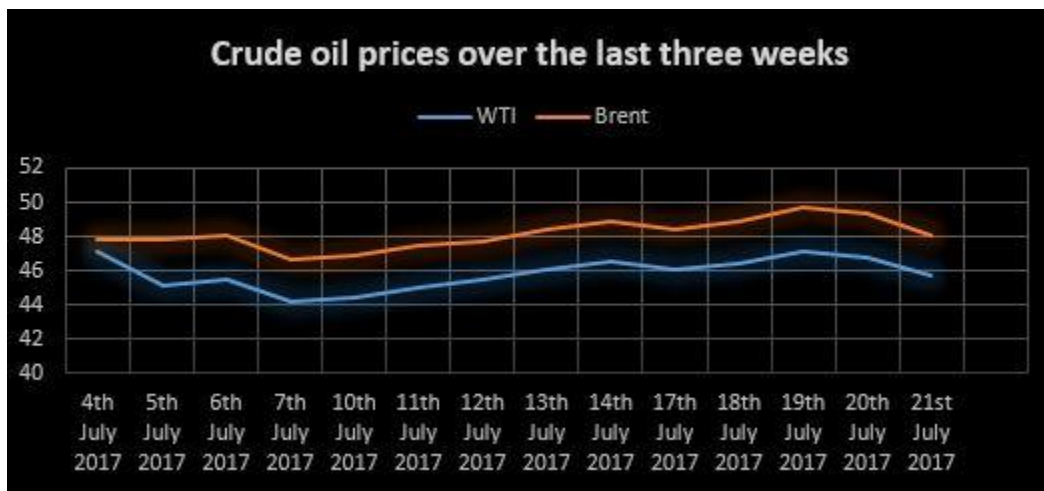
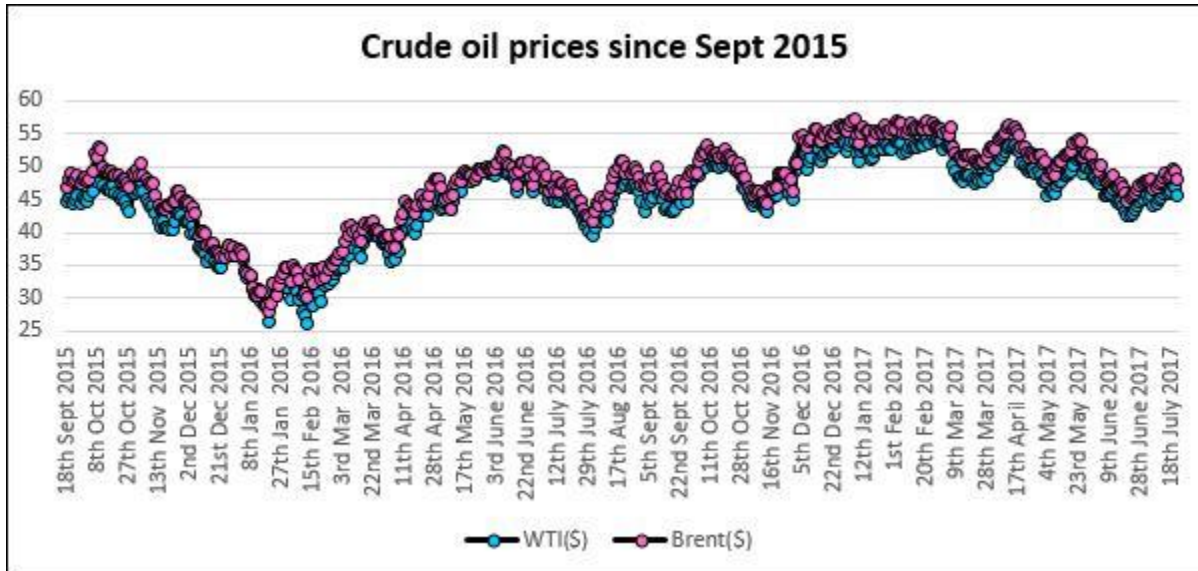


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Some of the news items for this week are as follows:



- The crude oil saw prices edge up this week receiving the news that fewer rigs were added in the US last week. This eased some concerns about shale output undermining OPEC-led production cuts. As per Baker Hughes data only 2 oil rigs were added in the week ending July 14, reaching 765 in all. Also, the EIA reported this week that the US crude inventories slipped 4.73 mb, and gasoline stockpiles dropped 4.45 mb last week. Some refineries in China increased crude intake in June, which is perhaps indicative of higher demand of crude in the second half of 2017, and in turn tone down excess inventories. Oil price also gained strength this week, when a report said Saudi Arabia is considering deeper cuts, following signs that OPEC agreement is not clearing the global oil glut. At present, output from Libya and Nigeria (both exempted from the agreement) has increased, Ecuador has announced that it is getting out of the OPEC agreement, and Iraq's compliance to the deal is also being questioned. The crude prices decline on Thursday after Petro-Logistics SA, a company that monitors crude oil and refined products trade flows, said that OPEC's supply

in July will be the highest this year. It is expected to exceed 33 mb/d this month, and it only lends support to skepticism about OPEC's production cut effectiveness in shrinking global stockpiles.

- OPEC member Ecuador has decided to get out of its commitment of lowering its production by 26,000 b/d to 522,000 b/d, as per the agreement reached last November. This was conveyed by the country's Oil Minister Carlos Perez. He said the country needs money and thus they will gradually pump more oil for export. This has created a dangerous precedent in OPEC, wherein other bigger producers can follow. Of course, Ecuador's exit from the agreement may not pose a big challenge for the present, but can escalate into a big problem.
- Libya's oil output has reached 1.1 mb/d, the highest since April 2017, and OPEC is likely to discuss this at their meet in St. Petersburg this week. At the time of the OPEC agreement last November, Libya was pumping 500,000 b/d. OPEC would now want Libya at the table, so that pressure can be put on it for capping its production. Libya will however raise their humanitarian and economic situation in the discussion, and seek the continuance of its exemption from any measure constraining its output.
- Nigeria has been grappling with the problem of oil theft, and as the situation is rather grim. As much as 30% of oil sent by pipelines through the swampy Niger River Delta is stolen, which deprives the country of that revenue. Nigeria's oil output has risen to 1.8 mb/d, but the theft of oil prevents any plans to increase the output further. The government has been desperate to control the militant activity or reaching peace with other militant outfits, but the local people causing sabotage of oil facilities has prevented any significant progress. It is a significant challenge for the country as it tries to receive growth and the economy is dependent on oil revenue. Shell had declared force majeure when a leak was found on a pipeline recently taking oil to Bonny export terminal in the Gulf of Guinea.
- India's Bharat Petroleum Corp. will receive 500,000 barrels of Poseidon and Mars grades of crude oil in September 2017. Both these grades are produced in the Gulf of Mexico for its refinery in Kochi, and represent India's first purchase of US oil. Poseidon crude is similar in quality to the Middle East supply of moderately sulphurous sour crude pumped by Saudi Arabia and Kuwait. The price at which this crude has been bought is similar to the landed cost of Middle East crude there and is being sought on trial basis to check on the value it brings at the refineries. A similar transaction was completed earlier in the month as Indian Oil Corporation bought Mars grade crude for arrival in October 2017 in southern India. Arrival of such cargoes from the US pose a challenge to Middle Eastern suppliers, and for OPEC as they try and curtail production and prop up prices, only to see US drillers come up as competition.
- The slump in the crude oil prices over the last three years has left the economies of the Gulf countries in a weak-growth phase. Their economies are all dependent on oil revenue, and hence the price of crude oil. They have made spending cuts, reduced subsidies and introduced new taxes to reduce budget deficits. Adverse political developments such as the Qatar row creates more problems for the concerned countries. Poor levels of growth will continue in all these countries till the oil price starts looking up,

So much for the industry news this week.

For the lighter side this week

What is the difference between 'detachment' and 'indifference'?

The two are different states of mind. Detachment is about letting go of attachment to help a situation. When you are watching your food intake and get off the table with a feeling, 'I could have some more', rather than with 'I wish I had not had the last helping', that is detachment. Similarly, if you were going to make offensive arguments with someone, and decide to take a breather, that is detachment. We come across many such situations in our daily lives, where detachment serves as a beneficial state of our mind.

Indifference is usually a display of apathy or helplessness, when you stop caring about something.

When we hear the news of an earthquake or a plane crash, we have a feeling of sympathy and we are concerned for the victims. Here we are not indifferent, for we as human beings never stop caring or sympathizing. So, what could be an example of 'indifference'? Think of an employee, who is in a position of public dealing and treats customers rudely, or does a shabby job of his own tasks, where others must pitch in to complete them. He is just not bothered about the fact that others are being impacted negatively about it. Such a situation can arise when you do not want to do something, and were forced into doing it. Since you are not interested in the work, you lose interest in its outcome, and so become indifferent.

In some situations, one must make decisions where positive results will come only after some hardships or negativity. If you say 'let us wait and see', that is detachment. If, on the other hand you say, 'who cares', that is indifference. I think if we are aware of such differences, we can analyze our reactions to the everyday situations we face.

Did you know?

How many nails does a dog have?

Dogs usually have four regular nails or toes per foot, and a thumb nail, called dew claw on each paw. Some breeds are born with the front and back dew claws; in others, they grow later. Some may have two dew claws on the front legs and grow later, on the rear legs. The dew claws are not used while walking or running, but some dogs use them to pick their teeth, if food or a bone gets jammed in them.

I hope you find these interesting.

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