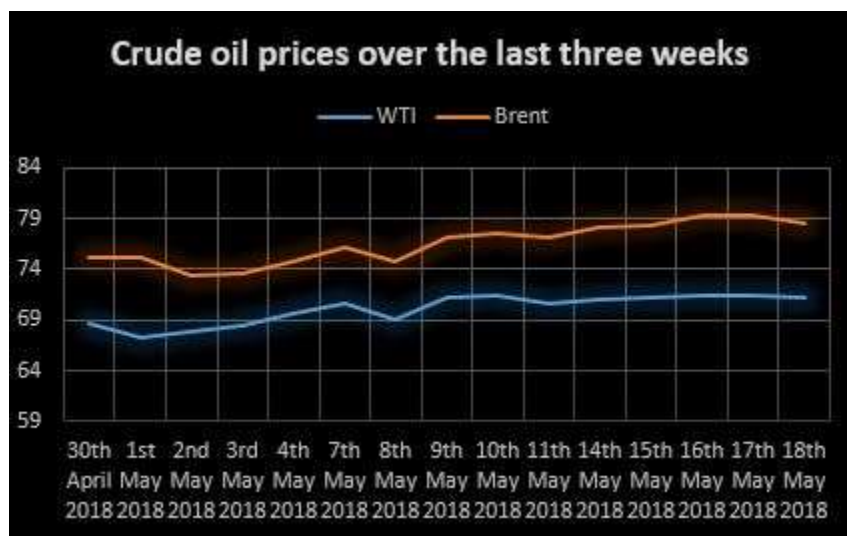
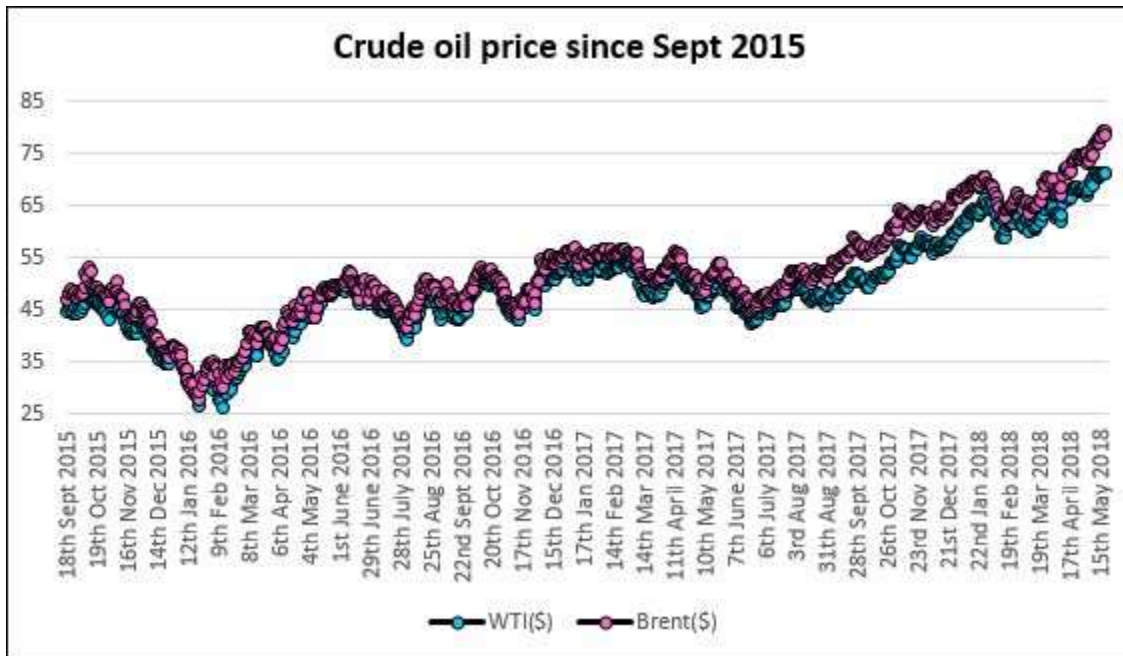


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- Crude oil price rose this week as US oil inventories fell by 1.4 mb as the summer driving season approaches, and on heightened political risks in the Middle East following unrest in Gaza. The rise in oil prices is also raising concerns that it could hurt demand, and at the same time could encourage shale drilling.
- The Paris-based IEA has revised its 2018 forecast for crude demand in view of the rise in prices recently. Besides, the OPEC efforts at clearing the glut in the market, the tightening of supplies from Venezuela, and the anticipated US sanctions on Iran have also prompted the energy agency to revise its estimates. Per the revised estimate, the total world consumption is now 99.2 mb/d.

- The US WTI grade of crude is selling at \$3.21 per barrel discount at present, compared with the Middle East benchmark Dubai. It will be interesting to see how the refiners in Asia will react when US renews sanctions from Saudi Arabia and Kuwait or consider receiving the US WTI grade.
- The UAE Energy Minister, Suhail Al Mazrouei has said that Saudi Arabia, Kuwait and the UAE together have enough capacity to cushion the oil markets, should the US re-impose sanctions on Iran. Russia's acting Energy Minister, Alexander Novak has also said that the state-run company Rosneft can increase its production by over 100,000 b/d. OPEC's concern at present is the global inventory levels, and how these could be addressed.
- Since President Trump pulled the US out of the 2015 nuclear accord, Iran plans to sign a \$1.16 billion agreement in the coming week with a UK company by the name Pergas Resources International, to work on Karanj oil field in southern part of the country. The proposed agreement is for 10 years and the financing will not come from any US company or any US-affiliated company, or any company involved in the US. Karanj oil field was discovered in 1963, and is producing 127,000 b/d. Iran plans to enhance its production to 200,000 b/d over 10 years by injecting gas.
- The US has threatened sanctions if the Nord Stream 2 natural gas pipeline project linking Russia and Germany goes ahead. Some European companies such as Royal Dutch Shell, BASF SE's Wintershall, Uniper SE, OMV AG and Engie SA have agreed to provide Russia's Gazprom with financing for the project. The US is opposed to the pipeline project for a few reasons that include, Russia could place listening devices along the pipeline's route, the project could increase Europe's reliance on Russia for gas supplies, and that the pipeline could bypass and isolate Ukraine.
- Even though Australia makes huge exports of LNG, the production of crude oil in Australia has been declining since 2014, and is the lowest since the 1960s. At present 88% of Australia's petroleum sales come from import and 12% from indigenous production. The country is looking for ways to find new areas for crude oil production.

So much for the oil industry.

I do not have a writeup for '*On the lighter side*' column, as I am going to be travelling tomorrow. Hopefully, on my return, I will have something nice and fresh.

I hope you find this information interesting. So much for this post!

Till the next post, stay safe and happy!

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