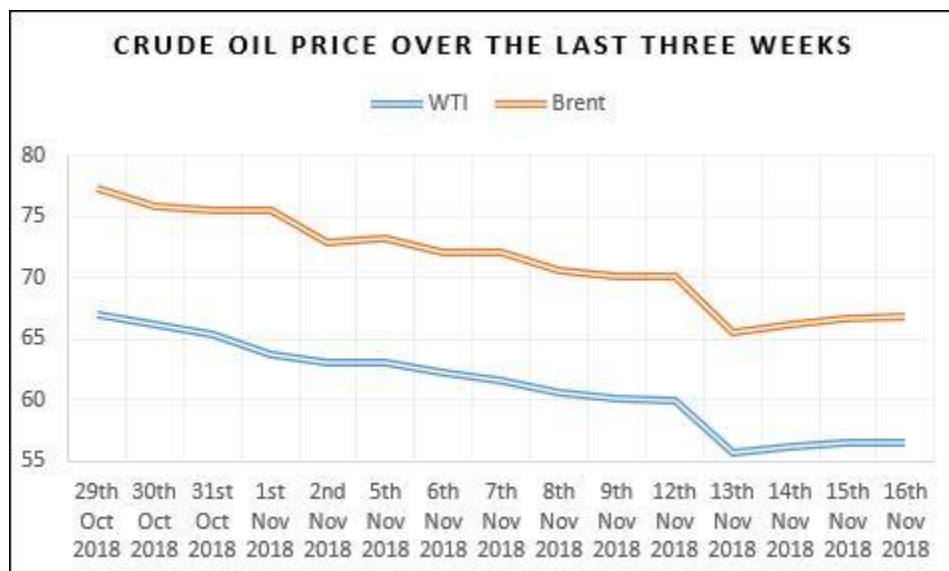
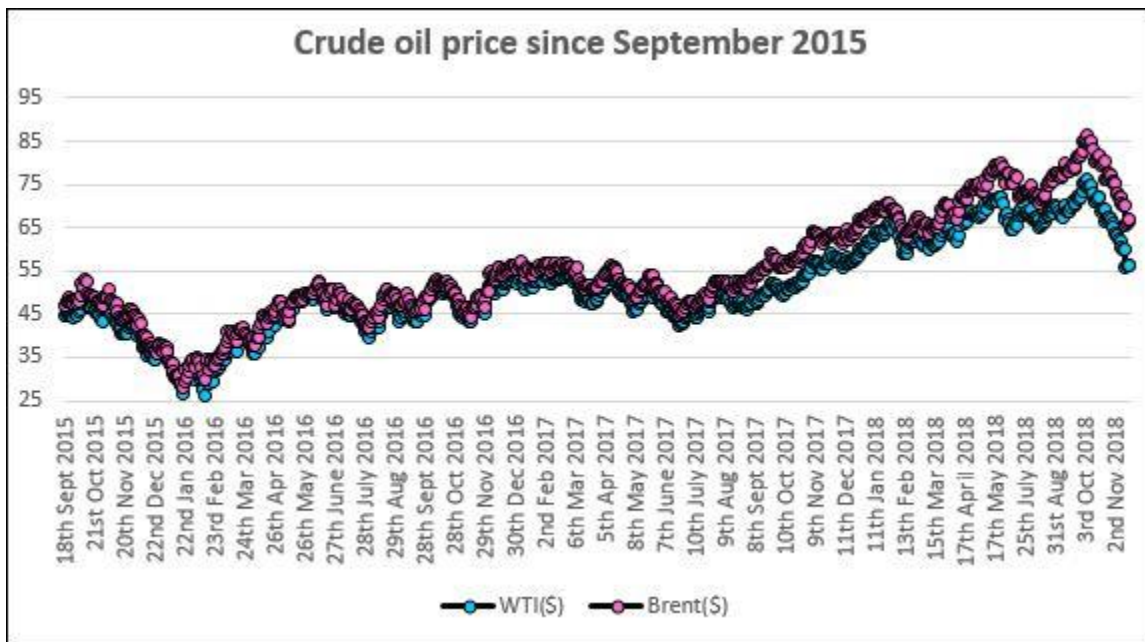


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- The price of crude oil has been dropping for the past 12 days from its 4-year high in October, when the US granted waivers to eight countries for continuing to import Iranian crude, albeit reduced quantities. This week the price fell by over \$4.50 in a single day. The trade tensions between US and China, speculations over OPEC's output strategy, the increased supply by Saudi Arabia, Russia and Iraq last month, the rising US inventories all contributed to an impression of reduced demand, and more oil in the market. The price rallied a bit thereafter over confidence that OPEC and its partners will reduce production to control any glut in the market.

- Saudi Arabia and its allies are seriously thinking about cutting oil production in 2019 so as to balance the market. A decision about it will be taken at the OPEC meeting in December. But even before that Saudi Arabia's Energy Minister, Khalil Al-Falih, announced on Monday that producers need to cut 1 mb/d from their October levels, and that his country will export 500,000 b/d less in December. Russia, UAE and Oman have indicated that it may be early to talk about any production cuts at present, but if need be they would go with that decision. President Trump however criticized Saudi Arabia's announcement for oil production cut, as he thinks the prices should be lower based on production.
- Besides India, Japan and South Korea, the US has also granted waiver to China for continuing to import crude oil from Iran. The eight countries including these four are expected to reduce the bulk of the imported quantities. China for example, has been allowed to import 360,000 b/d from the 658,000 b/d that it has imported over the first nine months this year. The US Secretaries of state and defense met with their Chinese counterparts last week and emphasized on the differences on diplomacy and security. This meeting was ahead of a planned meeting of President Trump and President Jinping at a summit in Argentina.
- UAE has announced plans to increase spending by 22% to exploit recent discoveries and raise capacity. This raise is planned so that the UAE production gets to 4 mb/d by end of 2020, and 5 mb/d by 2030. A five-year budget of \$132 billion has been approved for this purpose.
- The Canadian oil production is fetching record discounted prices due to lack of pipeline capacity to the US. That means the country's resources are being sold away cheaply. The country is not able to get its energy to global markets. Added to these are concerns about environmental and regulatory compliances. Oil company executives and investors have been voicing their concerns about Canadian energy sector falling out of favour unless the Canadian government helps improve the situation. Even though the government bought the Trans Mountain pipeline project early this year, not much headway has been made since then. Because of such low discounted prices for their crude, several producers have shut in production.
- Per the EIA, the large production of shale oil or tight oil as it is also called, that has made the US move from a net importer to a net petroleum exporter, may not last very long. It says that the most prospective areas in the US would have been exploited by 2025, beyond which the production will taper off. After 2025, OPEC will again be meeting the oil growth. The shale oil growth outside of the US will then come from countries such as Argentina, Russia, Canada and Mexico.

So much for the industry news this week.

For the lighter side this week

Do puzzles or brain games make you smarter?

The other day I saw an advertisement in passing that said we should indulge in solving puzzles to keep our brain sharp and prevent Alzheimer's disease. That set me thinking if there is any truth to this statement. Here is what I found.

The topic is controversial.

Working on crossword puzzles, Sudoku or puzzles that require putting together picture pieces, or video games are activities that make you learn different ways of solving problems or identifying patterns. Such activities are fun and engaging, and a good training or mental stimulation which helps our brain perform those tasks better in the future. What it means is that if we have worked on specific types of puzzles, we may become good at solving those kinds of puzzles, but there is little evidence to suggest that we become good at solving puzzles in general. What it implies is that we may not become good or better at other activities for which our brain has not been trained for. Thus, people good at crosswords may do more of them quickly, but may not be good at another activity, and their age-related decline may be the same as others who did not engage in such activities. But certainly, puzzles have that 'aha' moment, which makes people feel happy. There are also those who say that people who engage themselves in crossword puzzles are better at attention, reasoning and memory tests and stand to gain a longer life span. But there is still plenty of research required to explore and come up with the question we set off to address.

Related to the above assertion, some experts suggest that giving our brain some peaceful time is a good idea. Our busy daily lives these days revolve around the use of smart technologies, multitasking, and we think we are being efficient in what we are doing. Are we not moving from one screen to another (laptop to tablet), responding to every mobile ping or alert, answering every phone call? But we tend to forget that we are overloading our brain with all those tasks, and if carried out for long, they can result in brain fatigue. The human brain has two lobes, the left one and the right one. The left one functions in a linear way, i.e. logically and sequentially, and the right one helps us function in a creative, intuitive and emotional way. As we work our way through our daily routine, we can reason how much of our activity was done with our brain on 'autopilot' mode, and how much with the use of our right lobe.

If the brain has been in 'autopilot' mode for long, after a while its efficiency is reduced. Our brain does need some downtime during the day, in that we focus on just a single task for some time and not attend to other things; even if it were just 30 minutes, this way our brain can focus on details, alternative perspectives and deeper themes. I think this is important.

Needless to mention, the health of our brain also needs to be paid attention to, which is related to the health of our heart. A good heart keeps the brain function well. For making sure this happens, we should be paying attention to our diet, physical exercise, adequate sleep and managing stress in our lives.

I hope you find these interesting.

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