

Post 8<sup>th</sup> August 2015

Oil touched a new low at \$45.15 per barrel on Wednesday, Aug 5<sup>th</sup>, \$44.86 on Thursday, Aug 6<sup>th</sup> and \$43.87 on Friday, Aug 7<sup>th</sup>. Remember, Goldman Sachs' prediction I alluded to in one of my earlier posts? It has come true. But that is not all. The worst is, there are clear indications that the price is not going to remain stable at \$43 or \$44.

Why is the price of the barrel sinking?

Because there is excess oil in the market.

When will the excess oil vanish so that the price can stabilize?

Let us reason this out. Since Nov'2014, the combined oil production from Saudi, US and Iraq has increased by 2 mb/d. This is more than the global demand.

Then how will the world production decline so that the excess oil goes away and then the price can stabilize?

Now the OPEC is not going to reduce their production, as has been made very clear in their two meetings since Nov 2014. According to a recent IHS study, the prices will have to fall further so that the US production, which comes from the shales and is more expensive than the conventional oil production, slows down. This could probably need the price of the barrel to drop to \$40 or even \$35, only when the production from shale will be discouraged. As per the IHS study, this could go well into 2016.

So what does it suggest? We are in for a long haul, guys! We might see more gloomy times ahead.

On the lighter side, how would I define 'habit'?

A habit is something that happens or we tend to do without initiating our thinking process. This can be good or bad depending on the habit we are talking about. Some of our habits can kill productivity. And come to think, our habits define how effective or ineffective we are at work.

At our lunch-time table discussions recently, the topic of multitasking came up. Some of the participants said it is good, as it lets you be more efficient. Others disagreed and said one loses concentration with multitasking. So, it is a bad practice. There was no judgment passed at the lunch-table, but it set me thinking. Of course, when we multitask we are able to give our divided or partial attention to the different tasks, and are concerned about juggling between the different tasks. Thus our mental faculties are being utilized more for juggling tasks rather than the tasks themselves. By this reasoning then, it seems focusing on one job at a time should be more beneficial and productive.

Some people cannot work on a given job for long hours. They need distractions at intervals. We all have three compulsory distractions or break times during our working day, namely for morning

tea at 10:30 or 11 am, lunch at noon or 1 pm, and afternoon tea at 3 pm or so. If we set our work routine around these times, that should help.

Have you ever wondered why these times, why not different?

It has been commonly observed that the human productivity levels peak twice a day – first thing in the morning after breakfast, and then shortly after lunch. If you have breakfast at 8 am, the body functions for about 2.5 hours and then tends to slacken a bit. You need tea or coffee at that time. Then you have lunch at noon, and thereafter it is all good till at about 3 pm, when again the body tends to become lethargic. You again stimulate it with tea/coffee. That is why the fixed times that we have for them.

So, getting back to the question that I started off with, I have realized we should avoid multitasking.

I say this, but confess that many times I myself end up multitasking as my job involves being drawn into different directions.

What say you?

Till next time, be good!