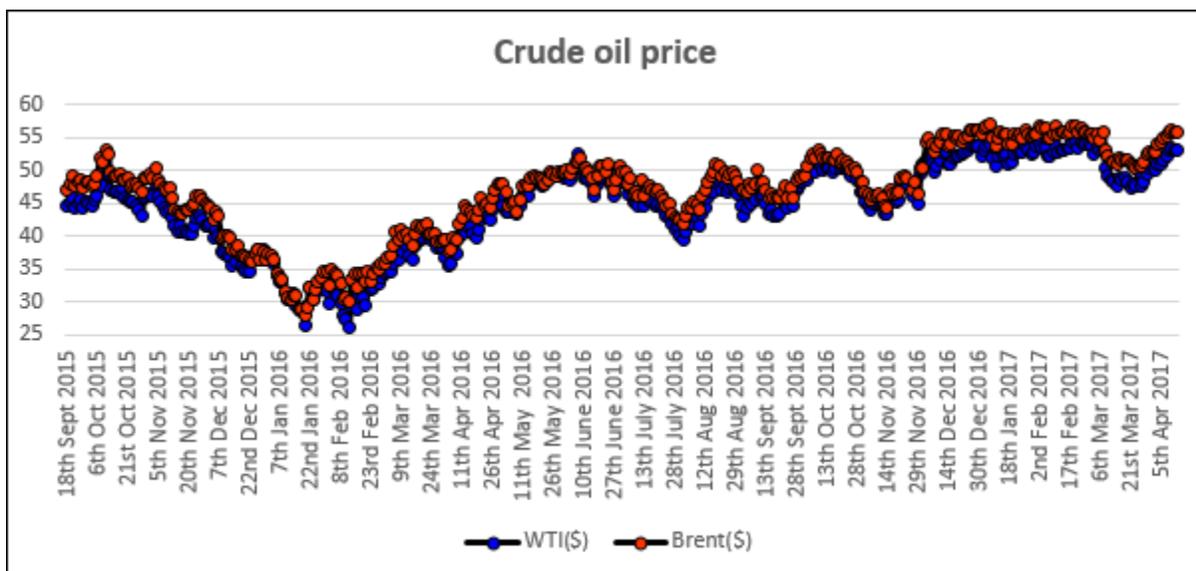


Calgary, Canada

The price of oil has shown the following variation over the last week:



- The news of US cruise-missile attack against Syria last Friday, two days after reportedly Assad's regime used poison gas that killed scores of civilians, sent ripples in the financial markets and crude oil prices jumped. This may be a temporary spike in the oil price, as Syria is not a significant producer, and if the military action remains confined to Syria only. Adjoining Iraq produced 4.43 mb/d last month.
- China has become the world's biggest buyer of crude oil during the first quarter of 2017, surpassing US, importing 8.5 mb/d. The US imported 8.15 mb/d during the first 3 months. The growing use of transportation fuel, new refineries and expansion of emergency reserves are some of the reasons for the boost in imports. As the stockpiles are full now, the figure could come down in the next quarter. China's domestic production has shown a slump in recent times.
- As per the IEA, in spite of OPEC's sincere efforts at implementation of production cuts, the global oil inventories have probably swelled up marginally in the first quarter, even as the world markets have come 'very close to balance'. IEA estimates that oil inventories in the 34 nation OECD (Organization for Economic Cooperation and Development) increased by 38.5 mb in the first quarter to 3 billion barrels, which has offset the decline in the emerging economies. Going forward, these stockpiles could decline 1.2 mb/d in the second quarter at current production levels.
- According to OPEC's monthly report, the oil inventories in developed nations shrank as a result of its production cuts, even though US shale industry has been growing stronger. For February the international stock piles showed a decline of 28.3 mb, still leaving 268 mb surplus that needs to be cut.

- The number of rigs in operation in the US has doubled since May last year according to Baker Hughes data. The average US rig count for March 2017 was 789, up 45 from 744 rigs counted in February 2017. The worldwide rig count, including US and international rigs, for March 2017, was 1985, down 42 from the 2027 rigs counted in February.
- As reported by EIA last Wednesday, US inventories fell by 2.17 mb to 533.4 mb. EIA has also forecast that the US crude oil production in 2018 will be 9.9 mb/d, 200,000 b/d higher than its previous forecast.
- Libya has again stopped producing from its biggest oil field Sharara, for reasons not known. This has come just one week after it reopened.
- Oil consumption in India fell for the third month (by 0.7%) due to effects of demonetization. The oil consumption fell by 5.9% in January, and 3.1% in February, lower than the same period last year. The demand is expected to increase now with the effect of demonetization being over.

So much for the industry news this week.

For the lighter side this week

I have often heard people talk about the right age to take retirement. In some companies, 60 years is the fixed age at which employees are retired. In others, especially in the west, and outside of the government organizations, there is no fixed age for retirement. It is up to the employees to decide, considering their health and interest, if they are willing to continue working. But that does bring up the question, what is the perfect age to retire?

Many surveys have been conducted, articles have been published, blogs have been written on this topic, but the magic number which is an answer to the above question is still elusive.

Some surveys conducted in the west have indicated that for a large number of respondents 60 years is the right age for retirement. A small percentage opts for 65, and still smaller for 70 years.

The respondents to the latter think they were not old enough to hang their suits and love their job. But there are some who feel that they are unsure about what to do without a daily routine they have had for long. To others the finances they need for the next 20 years if they retire at 60 years is a consideration. In addition to these, the perception about age has changed lately. Thesedays people at 50 and 60 do not consider themselves as old, as the average life expectancy has reached the upper 70s. One also needs to think about considerations such as, retirement a year earlier at a given age brings with it one more year of retirement expenses, and a year of savings, or a growth of retirement savings, if they continue to work. People who have the luxury of very generous pensions are the ones who generally think of taking early retirement.

Making the choice to retire at 60 or 65 or 70 years is a personal choice, and the individuals make decisions based on health, finances, obligations and happiness. Some of the employees who retire at 60 years are very happy to do so. There are other employees who retire at 60 years as per regulations at some companies, and wish to continue to work, are interestingly are able to find work. Those who have the

potential to offer their services that are useful to others, can easily pick up something. In the west, working after 60 years in our industry is common. There are some stalwarts in our industry who are also working beyond 70 years of age. That is because they have a purpose, they love what they are doing, and others are benefitting from their experience.

My childhood friend Bhupi recently sent me a news item that discussed about an article written by one Sing Lin in 2002 (http://faculty.kfupm.edu.sa/coe/gutub/english_misc/retire1.htm) who analyzed data from Boeing Aerospace and concluded that people who retired at age 50 had an average lifespan of 86, whereas those people who retired at 65 had an average life span of only 66.8 years, i.e. for every one year that one works beyond the age of 55, one loses 2 years of lifespan on average. The reason cited for this is that hardworking late retirees put too much stress on their bodies and mind, and so are stressed out. This leads to health issues which can force them to quit, and many perish in a few years.

I quickly googled about it and found that there are too many articles debating for and against retiring early, and realized it would be a futile exercise investing my time in doing this. But just to cite an example of the exact opposite of Sing Lin's finding is a similar study carried out on past employees of Shell Oil in the US (published in British Medical Journal and can be accessed at (<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1273451/>) who retired at 55, 60 and 65 years between Jan 1973 and Dec 2003. This study concluded that retiring at 55 or 60 years was not associated with better survival than retiring at 65 years. In fact mortality was higher in employees who retired at 65 years than those who continued working.

I believe that retirement is a personal decision, and when one feels that whatever one can contribute has been accomplished, and can afford to live a happy retired life, that is the time to retire. Care has to be taken that one should not get stressed out in doing whatever one is doing. One's circumstances can change this, but by and large it is up to the individual.

Did you know?

What the horn of a rhino is made of?

Probably bone, you might guess, as most animals have a bone core that is covered by keratin, the substance our hair and nails are made of.

The horn of a rhino is made entirely of keratin. Rhinos found in India and Java have one horn, but African and Sumatran rhinos have two horns. Some species of rhinos are critically endangered, and all rhinos as such are in danger of extinction, due to poaching and loss of habitat.

I hope you find this interesting. 😊