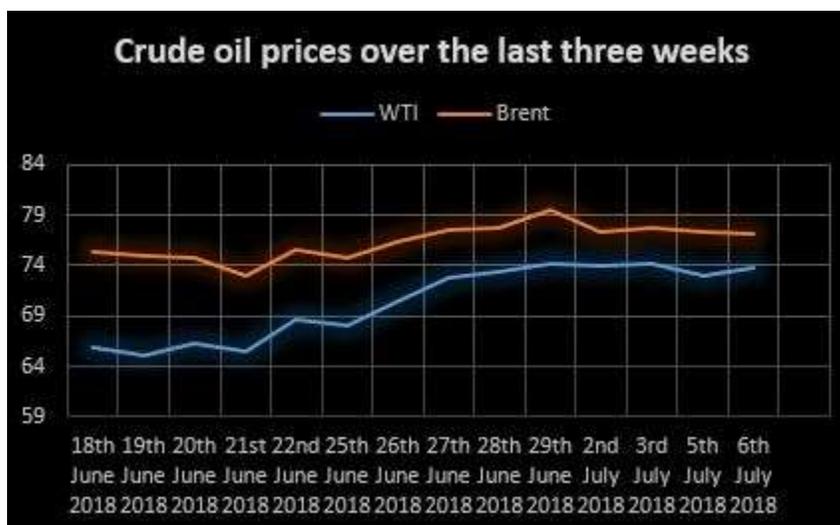
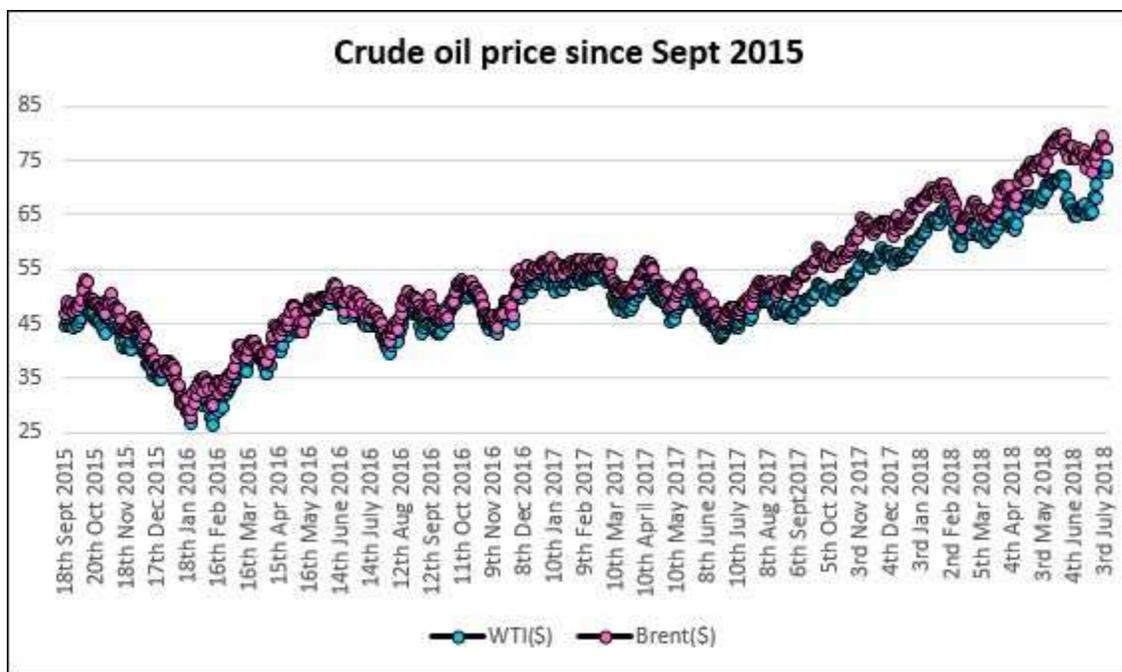


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- Oil prices fell this week from the high they reached last week. In an interview last Sunday, President Trump had demanded OPEC to stop its manipulation of the oil market and insisted that the members produce more. A subsequent tweet said Saudi Arabia had agreed to boost supply. This news made the barrel lose ground due to fears of increased supply in the market, even though there are valid concerns that the oil supply could be tightening due to US sanctions on Iran, the shrinking American inventories, supply disruptions in Libya and Canada, ongoing economic crisis in Venezuela, and with the New Mexican President elected, the reforms could slow down in that country. All these factors had made the price of the barrel look up last week.

Meanwhile, Saudi Arabia has informed OPEC that it had pumped 10.5 mb/d in June. But this increased output had not been able to steady OPEC's overall output.

- On Thursday this week, Iran threatened to block oil exports through the Strait of Hormuz, the narrow stretch between the Persian Gulf and the Gulf of Oman, wherefrom a fifth of the world's crude oil is seen passing in large tankers. This is in retaliation to the US sanctions on Iran prohibiting nations to stop buying oil from that country after Nov 4th. Should this happen, the price of the crude could jump to over \$150 a barrel. Iran's production in June was 2.28 mb/d. Meanwhile, an Iranian Governor has taunted President Trump that his tweets send the crude price higher, and that he should refrain from tweeting.
- As US sanctions threaten access to its global financial system for countries that buy oil from Iran, the latter has said it is open to accepting goods including medical equipment, agricultural products or refined oil products in lieu of payment for oil. It had done such an arrangement in the last round of US sanctions from 2012-2016.

So much for the industry news this week.

For the lighter side this week

The reality of today is that five technical giant companies control the worldwide data. These giants are Alphabet (Google's parent company), Amazon, Apple, Facebook and Microsoft. There is a very interesting article that I came across recently, entitled, *'The world's most valuable resource is no longer oil, but data'*, which was published in the May 6, 2017 issue of The Economist (<https://www.economist.com/leaders/2017/05/06/the-worlds-most-valuable-resource-is-no-longer-oil-but-data>).

One out of every two dollars spent online in the US are captured by Amazon. Three out of four dollars spent on digital advertising in the US are captured by Facebook and Google. Google holds 81% of search world market share. A year ago, Apple had revealed in a presentation that there are 100 million active Mac users in the world, and Microsoft has traditionally dominated the desktop and laptop market. According to one estimate there are more than 1 billion Windows-powered PCs in use the world over, with 400 million active users of Windows 10, which makes it four times more popular. Apple dominates the iPhone and iPad market.

All these five companies have been highly successful, and we have all adapted our lifestyles to the applications offered by them. We shudder to think of a situation where we don't have a Google search engine, or Facebook feeds, or even ordering stuff online. While all this is true, it is also a reality that these five companies control large volumes of data, and such large data quantities are valuable, giving power to these companies. Google knows what people search for, Facebook knows what they share, and Amazon what they buy. Such data allows them to assess trends early, and act on that information. It helps them take over smaller companies before they come out as competitors. In 2014, Facebook bought WhatsApp, a company with less than 60 employees, for \$22 billion.

Talking more about trends, it was reported sometime back that in 2008 Google came up with a predictive model of flu, based on searches such as 'indications of flu'. The model worked well for out breaks of flu in 2009-2010. It is a different story that over reliance on this empirical model did not work in later years, as well as the fact that little focus was placed on the medical causes of flu outbreaks.

In June 2016, Mark Zuckerberg, the owner of Facebook, had disclosed that Facebook had reached a landmark of 2 billion active users. Interestingly, since then this figure has increased to 2.2 billion as of

Q1, 2018. The top 5 countries that are the biggest users of Facebook are India (270m), US (241m), Indonesia (140m), Brazil (130m) and Mexico (85m). I may add that European Union, as a whole, has 370m Facebook users. There are 2.5 trillion posts on Facebook generating 4 million likes every second. Thus, though we humans are more interconnected, empowered and prosperous than ever before, but the companies mentioned above hold enormous amounts of data, and they are in a position where they can use it for even greater insights and rapid growth.

Machine learning techniques can now predict when a customer is ready to buy a certain item, a car needs servicing or a person is at risk of a disease. We are going to see more and newer insights into various sectors and aspects, and that is a development in the right direction.

I hope you find these interesting.

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