Due to this situation with Coronavirus, most businesses are operating from home-office. In case of need, please contact us through our Key Personnel mobile phones on our website (williams.com.br)

COMMODITY PRICES ARE LIKELY TO REMAIN STEADY IN 2022

Commodity prices exported by Brazil exceeded expectations by the end of 2021, showing positive movements that had not been recorded in years. The expectation is that the pace of valuation will slow down, but, according to analysts, the room for expressive devaluation is still restricted.Demerara sugar finished the year with an average price 38.5% higher than the previous year in New York (17.78 cents per pound). This is the highest value recorded since 2016, which is probably associated with the increase in oil prices and its consequences to the ethanol market. As projections point to a global deficit in the 2021/22 harvest, largely thanks to Brazil, the margin for retraction is narrow. In the case of soybeans and corn – noted that Brazil is the global leader of soybean shipments and is trying to become the second-larger exporter of corn. The results recorded in 2021, as well as prospects for 2022, point out that Brazilian exporters do not have much to complain about commodity prices given that the current levels will help offset a good part of the losses recorded in crops due to the weather, even though rising input costs have already started to squeeze profit margins.
Sources: Valor Econômico/Datamar News

FOREIGN TRADE SECRETARY EMPHASIZES THE RECOVERY OF EXPORTS TO THE U.S AND E.U

Lucas Ferraz, Foreign Trade Secretary, noted the resurgence of Brazilian exports to locations such as the United States, which gained 44.9 percent in 2021, and the European Union, which increased 32.1 percent. There was also a 37% increase in sales to Mercosur and a 28% increase in sales to China, which is still the largest consumer of Brazilian exports. The 38.2 percent increase in import rates experienced by Brazil in 2021 is associated with increased demand for foreign fuel and electricity, a reflection of the water crisis undergone by the country, as well as purchases of vaccinations and industrial inputs. Furthermore, the depreciation of the real, which increased the cost of imported goods, contributed to the outcome. The Foreign Trade secretary of the Ministry of Economy pointed out that the 35.8% increase in trade flow (sum of imports and exports) reflects the growth in export rates (34%) and the substantial increase in imports (38.2%).
Sources: Canal Rural/Datamar News

ARAB COUNTRIES DOUBLE THEIR EXPORTS TO BRAZIL

From January to November 2021, Brazil purchased 100.6% more Arab products compared to the same period in 2020. The increase in Arab exports to Brazil takes place in a scenario in which the Brazilian trade balance is operating in a surplus of US$ 3.8 billion. Among the countries that increased sales to Brazil in the year to date, the highlights were the United Arab Emirates and Saudi Arabia. The former exported 253.6% more products to Brazilians, mostly items such as mineral fuels, aluminum, sulfur, and fertilizers. The Saudis, on the other hand, sold 86.9% to Brazil compared to the same period in 2020. The most exported products were mineral fuels, fertilizers, plastics, and aluminum. Notwithstanding, Brazilian exports to the Arab bloc grew by 25.3%, as did bilateral trade, by 48.3%. The Arabs remain in the third position among the main export destinations for Brazil, only behind China and the United States. Among suppliers to the Arab block, Brazil occupies fifth place in the ranking.
Sources: ANBA – Agência de Notícias Brasil-Árabe/Datamar News

GOVERNMENT LAUNCHES PROGRAM TO ENCOURAGE SHALE GAS EXPLORATION

On December 30, 2021, President Jair Bolsonaro approved the launch of a program to encourage the exploration and production of oil in unconventional deposits, such as shale gas, which changed the energy scenario in the United States. The program aims to try to remove obstacles impeding the environmental licensing of the activity, which is accused of causing damage to communities surrounding exploration sites in some American regions and was banned by several Brazilian cities from the mid-2010s. Unconventional deposits are those found in rocks with low permeability, unlike pre-salt rocks, for example, whose pores ensure the displacement of oil and gas to the pipelines that take them to the platforms. In non-conventional ones, it is necessary to make fissures in the rock for the deposited material to move, in a process known as hydraulic fracturing, which injects large amounts of water underground at high pressures. In an order published on the 30th, Bolsonaro approved the CNPE's resolution that proposes the reduction of the royalty rate charged on these deposits to 5% of the production value; in other oil fields in the country, a 10% royalty rate is generally charged.
Sources: Valor Econômico/Datamar News

SOYBEAN EXPORTS HIT RECORD IN DECEMBER

Brazil's Association of Cereal Exporters (Anec) revised upward its forecast for soybean shipments in December by 0.3% to 2.777 million tons. These numbers took into account the port schedule. Exports increased by 1.6% when compared to the same month in 2020. Anec forecast Brazil will end 2021 with a new record in total exports, about 86.88 million tons of soy, up 5.6% from last year. In the case of soybean meal, the projection for December was revised upward by 5%, to 1.682 million tons – up 50% from December 2020. Anec now estimates total shipments at 17,016 million tons in 2021, an increase of 1.2% compared to 2020. The entity revised downward its forecast for corn in December by 11.8%, to 3.454 million tons. Total corn shipments this year are now estimated at 20.68 million tons, down almost 40% when compared to 2020.
Source: Valor (*Translated by Ia Niani)

MATO GROSSO BEGINS HARVESTING THE BIGGEST SOYBEAN CROP IN THE HISTORY OF BRAZIL

Soybean producers in Mato Grosso began to harvest the state's first fields this week, but with the work still very localized, few dare to predict crop productivity or estimate the percentage harvested by the largest supplier of the oilseed in the country. Even so, the beginning of the harvest right after Christmas represents an advance of about 20 days in relation to the previous cycle, when producers sowed soybeans later because of weather problems. Less than 1% of soybeans were harvested in mid-January 2021, when the harvest was delayed, according to data from the Mato Grosso Institute of Agricultural Economics (Imea), a panorama that should not be repeated this year. Mato Grosso is expected to harvest a record 38.14 million tons, up 5.8% year-on-year, according to the latest IMEA estimate, which indicates that the state will account for more than a quarter of the crop in Brazil, the largest producer and global exporter. Fernando Cadore, president of the Association of Soy and Corn Producers (Aprosoja) in the state, says that the harvest began in a few areas, notably in irrigated areas. In these regions, producers planted early to sow the second cotton and corn crop within the ideal window.
Sources: Reuters/Globo Rural (*Translated by Ia Niani)

COPERSUCAR PREPARES ITSELF FOR A NEW GROWTH CYCLE

Copersucar, the largest sugar and ethanol trading company in the world, assesses that, after spending a few years consolidating the billion-dollar investments made in the first half of the past decade, it will experience new growth opportunities ahead. João Teixeira, CEO of Copersucar, stated that the results of Copersucar's last expansion cycle "are excellent, and now we are starting to study a new growth phase for the company. Eventually, solid investments will come into being". Some relevant expansion fronts have already been tested as of the most recent sugarcane harvest (2021/22), such as the purchase of a 50% stake, that used to belong to Cargill, of the sugar trading Alvean and the partnership to sell ethanol with the distributing company Vibra. In the next season, which will start in April, the company is considering investing in increasing its lifting and storage capacities at the Copersucar Sugar Terminal (TAC), in the port of Santos. The venture, if confirmed, should range between R$ 200 million and R$ 300 million,

and expand the terminal's static capacity by more than 40%, from 8.5 million to 12 million tons.
Sources: Valor Econômico/Datamar News

BRAZILIAN SOYBEAN LIKELY TO SURPASS 150 MILLION TONS IN 2022
According to the agricultural market consultant, Vlamir Brandalizze, the soybean sector is forecast to reach record-breaking volume in crop year 2021/22. "I believe that soy production will reach above 145 million tons, with a great potential to surpass 150 million tons," he says. These numbers are higher than those projected by Conab (142 million tons) and by the USDA (144 million tons). "In addition to this production record, I also believe that the soybean sector will export around 115 million tons. I also believe in record sales, with at least 55 billion dollars in exports". Brandalizze says that due to an apparent full crop in South America, Chicago should work at an average of 12 to 13 dollars per bushel, but perhaps with lower premiums in Brazil due to the greater volume to be shipped. "We hope that, at the peak of supply, prices will vary in the Brazilian ports by R$ 150 and at the best times around R$ 170, he says.
Source: Canal Rural (*Translated by Ia Niani)

UNIGEL SIGNS NATURAL GAS CONTRACTS WITH PETROBRAS AND SHELL
Brazilian petrochemical company Unigel has taken an important step towards serving its fertilizer plants in the states of Bahia and Sergipe. Its purchase contract with Petrobras provides for the delivery of natural gas volumes in the firm modality, for a period of four years. In addition, its purchase contract with Shell Energy provides for the delivery of natural gas in firm and flexible terms, for a period of two years. Ensuring Company's gas supply at a time of global uncertainty is essential, considering the ever-rising power generation costs of this economic recovery scenario. The Unigel Group, one of the largest chemical companies in Brazil, invested more than R$ 510 million in the two plants leased from Petrobras, creating jobs and reducing dependence on imports of products such as ammonia and urea.
Source: Globalfert (*Translated by Ia Niani)

PETROBRAS MAY BOOST LNG IMPORTS IN 2022
Petrobras may increase Imports of liquefied natural gas (LNG) in 2022, after reaching records highs this year in external purchases to supply thermoelectric plants in the water crisis. The state-owned company will close the year with 119 LNG cargoes imported, surpassing the record of 2014, when the company imported 99 cargoes to help the country deal with the lack of rainfall, the same as happened in 2021, with the worst water crisis in 91 years. In 2020, Petrobras imported only 33 cargoes. According to the executive manager for Gas and Energy at Petrobras, Álvaro Tupiassu, it is not yet possible to estimate the volume that will be imported in 2022. If you look at the trend, it is very likely that there will be a high average demand next year," he said. Brazil is a gas importer, and the market expects Brazil's demand for the product will continue to be greater than domestic supply at least by 2035.
Source: Reuters/Notícias Agrícolas (*Translated by Ia Niani)

PETROBRAS TECHNOLOGY AVOIDS SENDING GAS TO THE ATMOSPHERE
Petrobras has developed a program for the capture, use, and geological storage of CO2 (carbon dioxide) in the pre-salt fields, which is the largest in the world in operation, in annual reinjected volume, and the pioneer in ultra-deep waters. The gas from the pre-salt fields contains natural gas and also CO2 in its composition. The Carbon Capture, Utilization Storage (CCUS) technology encompasses the separation of CO2 and natural gas and the subsequent reinjection of the CO2 in the reservoir, where it is stored. The reinjection was a solution found by the company to meet the commitment of not emitting carbon dioxide into the atmosphere. The initiative allows the company to produce low-carbon oil in the pre-salt fields. Petrobras said the volume of CO2 reinjected into reservoirs has been increasing every year. According to Ultra Deep Water executive manager, Luiz Carlos Higa, "in the first nine months of 2021 alone, about 6.7 million tons of CO2 were reinjected, equivalent to almost the entire 2020 volume.
Source: Datagro (*Translated by Ia Niani)

CARGO IMPORTS ROSE IN THE PORT OF SUAPE IN 2021
The Port of Suape increased by 47% in import operations, moving US$ 8.19 billion in 2021. This value is 15% higher than that recorded in 2019, a year in which the economy had not yet been affected by the coronavirus pandemic. In 2020, cargo handling from other countries dropped by 22% compared to 2019, as a result of the pandemic. Until December 18, the year-to-date had been US$ 7.79 billion. Records were registered in August and October 2021, with US$ 901 million and US$ 763 million, respectively. The automotive and oil and gas industries stood out among imports, with the following three leading imported products: fuels (42% of imports); vehicles and vehicle parts/parts (14% of imports); and electrical devices and appliances (6.7% of imports). The countries that supplied the most exports to Pernambuco were the United States (35%), Saudi Arabia (9.3%) and Italy (8.6%).
Source: Portos e Navios (*Translated by Ia Niani)

"PORTOS DO PARANÁ" SET A NEW HANDLING RECORD IN 2021
Two days prior to the end of 2021, the state-led company Portos do Paraná set a new annual handling record with 57,345,800 tons of cargo loaded and unloaded at the Paranaguá and Antonina terminals. The handling of general cargo increased by 10% in the ports of Paraná in 2021. During the same time period, there was a 4% increase in liquid bulk operations, an 11% increase in the volume of tons handled in containers, and a 9% increase in cellulose operations. The ports records show 4,267,933 tons handled in 2021, a 13 percent increase compared to 2020. December 2021 also came to an end featuring the largest monthly handling rate in the history of the ports, highlights Luiz Fernando Garcia, director-president of Portos do Paraná. According to Garcia, the new record was maintained by improvements in the following sectors. "Especially general cargo, regardless of whether imports or exports, but also liquid bulk and the unloading of fertilizers, which are solid bulk imports", adds the executive.
Source: Datamar News

VITÓRIA CANAL TO UNDERGO MAINTENANCE DREDGING
The maintenance dredging of the Vitória Canal, done to maintain good navigability standards, started late in December. The dredging service will cover the access channel, the maneuvering basin, and the mooring berths on the banks of Vitória and Vila Velha (Capuaba). The contract determines a period of 90 days to finish the service, which actually expected to end before the deadline. The maintenance service yields direct operational gains, such as the resuming of activities requiring a draft above 12.50m draft and, therefore, securing that ships loaded with greater volumes of cargo will have free access to the port. According to Raquel Guimarães, the coordinator of Marketing and Business (Comark), the dredging will increase the competitive status of the port and, thus, increase the handling forecast for the upcoming years. Vessels will also benefit from the dredging. Container vessels will also experience average gains due to the port's increased capacity to handle an additional deadweight of 15,000 tons and other 1500 TEUs, which should generate a reduction in maritime freight up to 10% reduction and a reduction in logistical costs up to 20% at the Port of Vitoria.
Source: Datamar News

IMPORTANT NOTICE: In order to facilitate the documents issuance all messages related to Documentation (Documentary Instructions/BsL /Mate's Receipt /Others) for the vessels in Santos Port, should be sent to the new e-mail doc.santos@williams.com.br

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