

NORTH STAR

NEWS

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Oil prices rally amid accelerating pumping cuts

Oil prices rose again this week, widening the recovery after major oil-producing countries said they would accelerate planned pumping cuts to combat the dramatic drop in demand due to the new coronavirus pandemic. The United States reference value closed at USD 37.63 per barrel on this week, in the worst contract settlement of all time. Brent oil, on the other hand, hit a two-decade low before recovering. Since the beginning of the year, both have lost more than two thirds of their values. Global demand for fuels dropped by around 30% in April, and supply will exceed demand in the coming months due to the coronavirus pandemic. Also this week, Brent advanced USD 0.96, or 4.7%, and closed at USD 21.33 per barrel, while WTI rose USD 2.72, or 19.7%, and ended the day at USD 16.50 per barrel.

Hydrated ethanol is traded for values below the cost of production

Brazilian hydrated ethanol was traded below the cost of production this week. In the main producer hub in Brazil, at Ribeirão Preto / SP, the biofuel was sold at R\$ 1,316.70 per CBM. The cost of producing hydrated ethanol in Brazil is estimated at R\$ 1.377 per CBM. In this way, the plants in the Center-South are selling the start of production for the 2020/2021 harvest with a negative margin of approximately R\$ 61.00 per CBM. At the moment, the UNICA (União da Indústria de Cana-de-açúcar - Union of the Sugarcane Industry) requests

emergency support from the Ministries of Agriculture and Mines and Energy to ensure that the plants can survive during this consumption crisis. According to UNICA, the producers would need to stock 25% of the estimated production for the 2020/2021 harvest. For that, they would need a credit of almost R\$ 9 billion.

Demand for crystal sugar decreases in São Paulo's spot market

With the isolation recommendations imposed by municipal and state governments, the demand for sugar has decreased in the spot market in São Paulo, especially by the industries that usually sell for prompt delivery. Some buyers even went back to shopping, but purchased small quantities. In general, the deals involving crystal sugar captured by CEPEA (Centro de Estudos Avançados em Economia Aplicada - Advanced Studies in Applied Economics) in the spot were sporadic. The factories continue with part of the production stopped or even with the entire industrial plant idle in several cases. During the third week of April, the average of the CEPEA Indicator was R\$ 78.50 per 50 kg bag, a slight decrease of 0.06% in relation to the previous week's average (of R\$ 78.54).

PORTS OF BRAZIL

Port of Suape

As in January, the Port of Suape recorded the largest cargo movement in February since the beginning of its operations, 41 years ago. The percentage of increase in relation to the 2019 period was 70%. For the first two months, the growth was 57%. February closed with a total of 2,306,857 tons of cargo, which, together with the movement in January, accounted for 4,704,695 tons in the first two months of this year. Liquid bulk maintained growth and accounted for 77% of all cargo handled at the port. The total of liquids and gases reached 1,746,989 tons against 915,533 tons in February 2019, an increase of 90%. Year-to-date, the volume is 77% higher than the first two months of last year, totaling 3,626,010 tons. Part of this increase is due to the receipt of 495,826 tons of crude oil, representing 145% more than that registered in February 2019.

Shipping Agency

The shipping agency service values for quality and agility in attendance of foreign and Brazilian flag vessels, provision of information to companies involved in foreign trade and internal market in real time, with competitive prices in relation to port and maritime costs, and the search for harmony between public and private stakeholders in the supply chain. North Star operates in different segments, serving bulk vessels (solid and liquid), loose cargo, offshore ships, project cargo, dredgers and passenger ships, providing quality services for large and consolidated market players.

Shipbrokers

As a result of negotiation and relationship skills with leading Shipowners and their representatives in 5 (five) continents, competitive prices of freight and special conditions on hiring of vessels are offered, thus helping trading companies, importers and exporters that need to transport their cargo around the world.

Consultancy

It offers the market solution in the resolution of maritime demurrage disputes, making the management of recovery or settlement with the involved shipping companies. The technical, pre-operational and operational follow-up is performed of vessels in ports, ensuring that contract clauses will be achieved and complied.

Customs Clearance

Customs clearance is a fiscal procedure by which all goods coming or going abroad must be submitted for the exporter to receive final permission to send their goods and the importer obtains authorization to receive their imported goods. Our function as Customs Brokers is to prepare and sign the documents that serve as basis for customs clearance, import and export, verifying the tariff framework of the respective merchandise and arranging the payment of import taxes and industrialized products, as well as the state tax (ICMS). We act toward to several public agencies linked to numerous Government Ministries (Health, Agriculture, Industry and Commerce, Finance, and others), finalizing the obtaining of documents or information via Siscomex necessary for the fiscal procedure (import licenses, export records, certificates of origin, phytosanitary certificates, among others). Our goal is to bring our customers, importers and exporters, peace of mind to carry out their activities in foreign trade with the highest transparency and efficiency throughout the process.

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