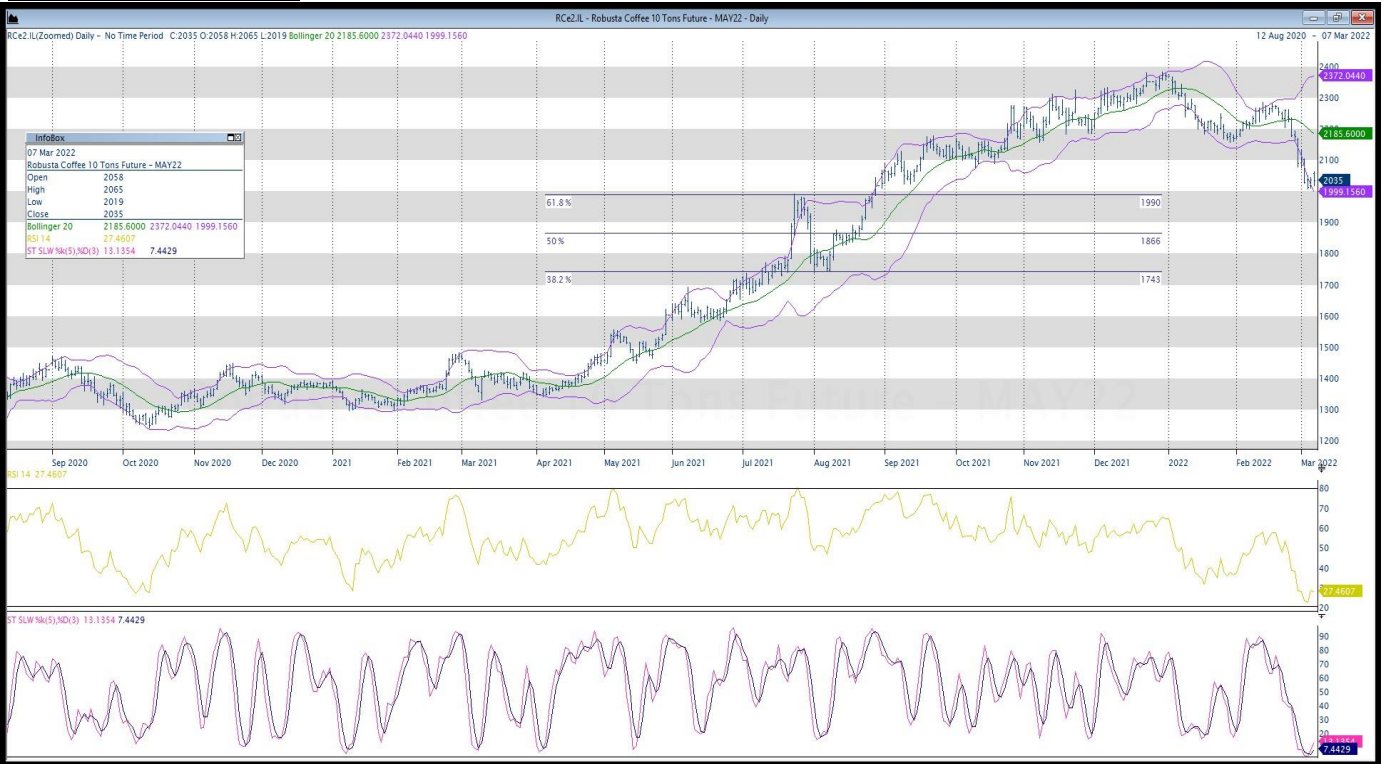


## LONDON ICE MARKET



### LONDRES

Posición	último	dif	alto	bajo	cierre
MAR22	2191	4	2193	2152	2192
MAY22	2034	-4	2065	2019	2035
JUL22	2012	-1	2039	2001	2014
SEP22	2005	-4	2034	1998	2009

### London ICE:

Supports: 2020, 2000 & 1950  
Resistances: 2085, 2135 & 2175-2185

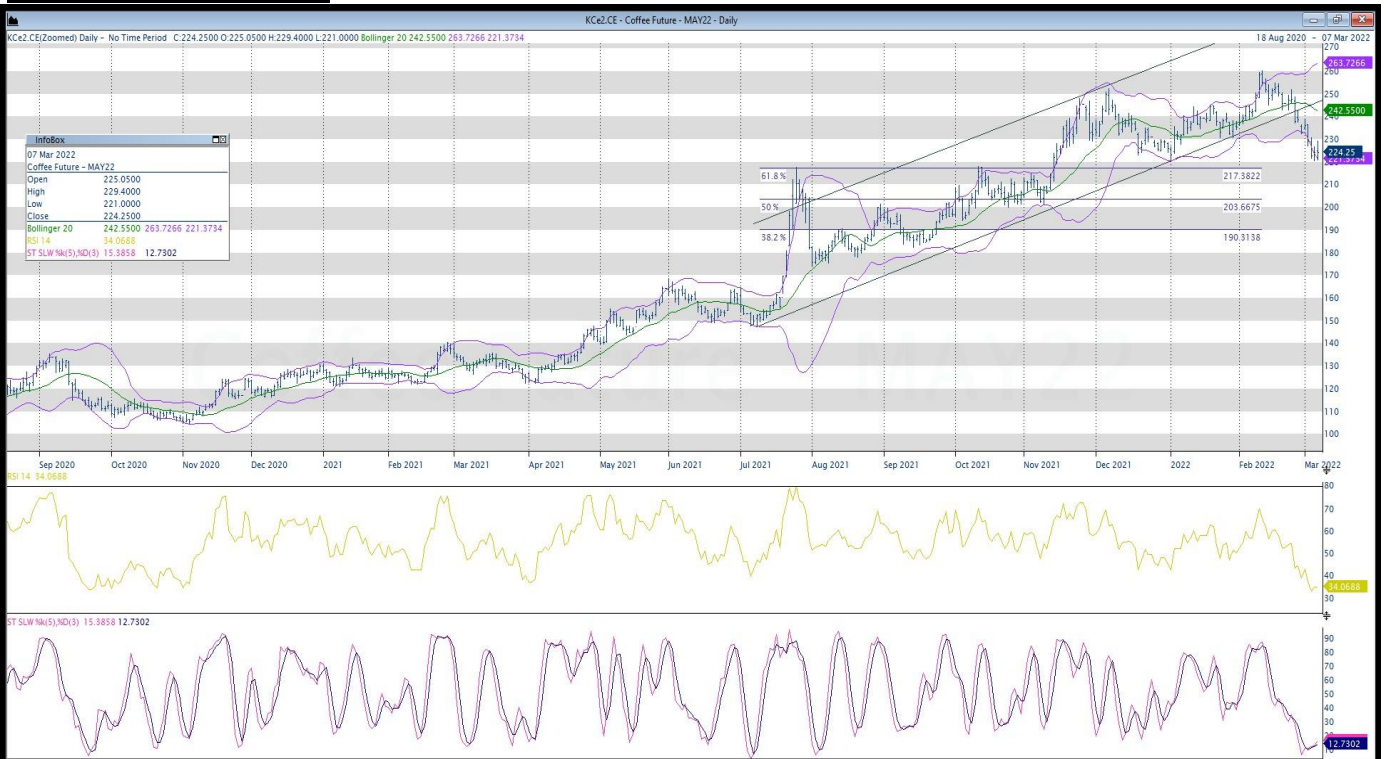
### NUEVA YORK

Posición	último	dif	alto	bajo	cierre
MAR22	227,30	3,15	229,55	225,20	225,50
MAY22	223,35	-0,90	229,40	221,00	224,25
JUL22	222,20	-0,80	228,15	219,95	223,10
SEP22	221,00	-0,95	227,10	219,00	221,90

### New York ICE:

Supports: 222,00, 220,75 & 212,25  
Resistances: 227,00, 230,75, 232,50 & 239,00

## NEW YORK ICE MARKET



### BRAZIL

Arabica coffee prices fluctuated significantly in February. At the beginning of the month, increases in the international market and the fact that sellers were away from trades in the domestic market boosted values.

At ICE Futures, futures hit the highest levels in 10 years in the second week of February due to concerns with the supply this year (especially after the certified stocks went down to the lowest levels since 2000 at ICE Futures) and to the firm consumption. Moreover, global problems in logistics and concerns about the smaller crop in Brazil, despite the positive biennial cycle, reinforced price rises.

In the second fortnight of the month Arabica quotes started moving down due to drop in the international market and of the US currency against Real. At ICE Futures, loss was attributed to international instabilities caused by the war between Russia and Ukraine.

However, it is worth mentioning that factors remain positive for coffee (concerns with supply and logistics in 2022).

Bloomberg again cited funds reallocating capital as a driver of the selloff. They also said that Brazilian exporters are cancelling contracts with Russia and Ukraine because of the difficulty of securing payments, following sanctions imposed on Russia by the US and its allies, whilst shipping lines are also cancelling or not taking bookings for the region. There are as well still widespread concerns as availability of fertiliser for Brazilian farmers going forward.

There was some talk of a 'miracle recovery' of production in Brazil but Judy Ganes tweeted in regard to rains that 'while yes, fruit size can increase, there is a limit by how much this can compensate for an absence in quantity of cherry after poor fruit set'.

Moderate showers were in Eastern Bahia over the weekend. The drier pattern will extend through the next five days with highest chance of rain in Parana late in the week.

### VIETNAM

With the month of February complete and with the shipment statistics already at hand, the Vietnam General Statistics office have estimated that the coffee exports for the month of February shall be 5.70% higher than the same month last year, at a total of approximately 2,166,667 bags. This they say, shall result in the countries coffee exports for the first five months of the current October 2021 to September 2022 coffee year to be 1.77% higher than the same period last year, at a total of 10,080,001 bags.

The General Statistics office of Vietnam have at the same time estimated that the value of the country's coffee exports for the month of February, shall be 57.51% higher than the same month last year, at a total of approximately 304 million US Dollars. This factor well illustrating the increased value of the coffee terminal markets.

### CENTRAL AMERICA / COLOMBIA

**Colombia** – As per FNC, in February, the registered production of coffee in Colombia was 928,000 bags of green coffee, down 16% – as a result of persistent unfavorable weather conditions – from 1.1 million bags produced in February 2021.

**Honduras** expects to export some 5,074,622 bags, down 12.8 % from earlier estimate due to biennial cycle and the resurgent rust, REUTERS. Honduras exports for the month of February rose to 661,580 bags from 641,748 bags a year earlier according to preliminary data from the Honduran Coffee Institute in Tegucigalpa.

**Costa Rican** exports for the month of February fell 3.3% y/y to 74,214 bags from 76,745 a year earlier.

### OTHERS

The High Court of **Kenya** has suspended the recently gazetted coffee regulations, dealing a blow to the Coffee Task force Report meant to kick start reforms in the industry. The move comes after governors moved to court to challenge the regulations. This is the second time that efforts by the government to address challenges facing coffee farmer's is suffering a setback after a lobby last month disowned recommendations of the task force appointed by President Uhuru Kenyatta, saying their views were altered to meet interests of the cartels.

### DEMAND / INDUSTRY

According with the USDA, during the 2021-2022 coffee year **Russia** imported a total of 4.1 million bags of coffee (3.3 million bags of green coffee, 400,000 bags of roast and ground coffee and 450,000 bags of soluble coffee). As stockpiles would only last for a few months and with the western sanctions in place, Russia will need to increase the imports mostly from Vietnam, the actual largest supplier (35 %). **Ukraine** imported 1.2 million bags.

The **Certified washed Arabica coffee stocks** held against the New York exchange were seen to increase by 9,099 bags end past week, to register these stocks at 1,003,338 bags, with 94.30% of these certified stocks being held in Europe at a total of 946,099 bags and the remaining 5.70% being held in the USA at a total 57,239. Of this, a total 428,280 bags, or 42.69% of the coffees registered and stored in consumer country certified warehouses of the exchange, Brazil washed arabica, and a further 47.52% of these certified coffees, originating from Honduras.

### QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,08566	1,0948	1,08062

Once again, the week's busy schedule of data and events is rendered largely moot by the escalating but also increasingly entrenched war in Ukraine. That said inflation readings out of the US (seen at 0.8% m/m 7.9% y/y headline and 0.5% m/m 6.4% y/y core) and China (PPI seen at 8.6% y/y vs. prior 9.1% and CPI unchanged at 0.9% y/y) and to a much lesser extent Brazil and Mexico offer baselines to attempt to gauge the impact of the surge in commodity and energy in prices over the past 10 days.

The ECB has the unenviable task of being the first major Central Bank to present its policy update on Thursday, and is expected to push back on policy tightening expectations, emphasizing downside risks to the growth outlook, while conceding upside risks to inflation from the surge in commodity prices and widescale disruption to supply lines. It will be interesting to see if Frau Schnabel is co-opted into the press conference in the context of the collateral squeezes in Eurozone money markets, given that she is the ECB board member responsible for Market Operations, Research, and Statistics. Lagarde & co will also face some testing questions about sticking to a dovish policy line in the face of increasing EUR weakness. Elsewhere, Poland's NBP is expected to hike rates a further 50 bps to 3.25% & Hungary's MNB to hike its one-week Depo Rate 65 bps to 6.0%.

On February 28th, the EURUSD was at 1.1350: last Monday (03/07) the USD appreciated up to 1.1170 and today we are at 1.0885.

### ADDITIONAL COMMENTS

The **ICO** said end past week that world coffee exports rose by 2.8% y/y in January to 10.9m bags vs. 10.6m a year earlier.

The **Coffee is in a longer-term bull trend**, but cautions for a major top after the failed rally at new highs in February. The reactionary setbacks into the end of February hint for a peaking turn and leave trade positioned to extend reactionary selloffs.



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