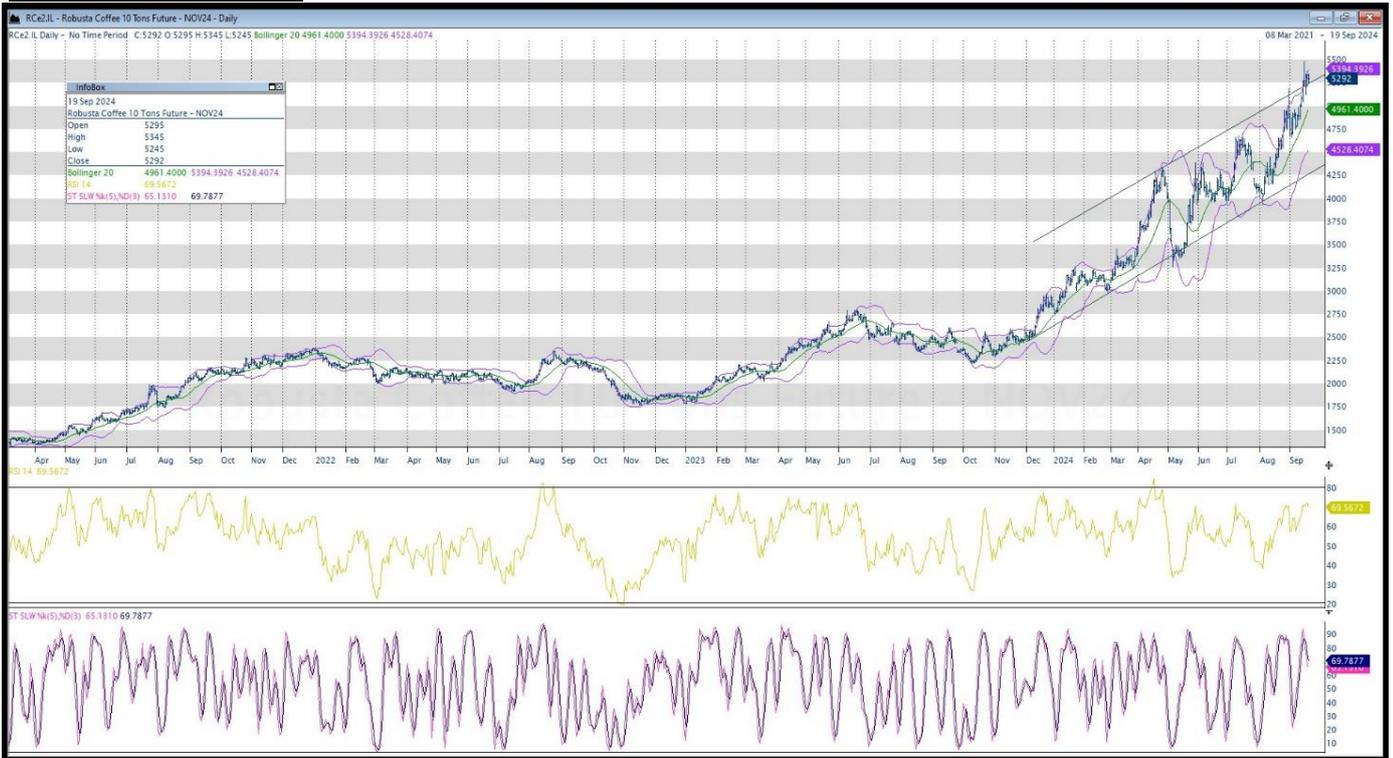


LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
SEP24	5722	22	5829	5790	5722
NOV24	5301	-33	5345	5245	5334
JAN25	5047	-23	5084	4980	5070
MAR25	4862	-9	4890	4788	4871

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
DEC24	260,90	-3,50	262,75	259,60	263,15
MAR25	258,60	-3,70	260,60	257,40	264,40
MAY25	256,50	-3,35	258,35	255,15	262,30
JUL25	254,15	-2,45	255,40	252,25	259,85

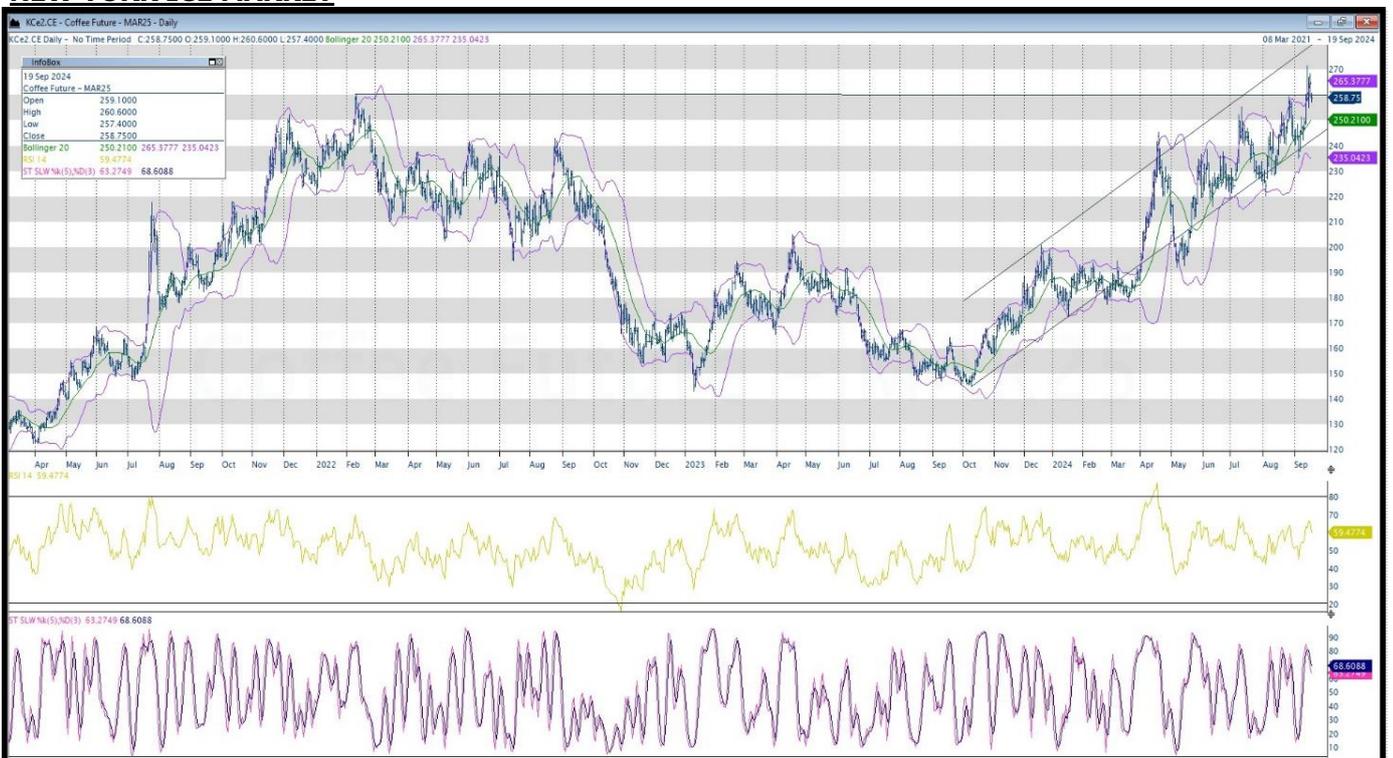
London ICE:

Supports: 5050, 5030 & 4975
Resistances: 5125, 5215, 5350 & 5475

New York ICE:

Supports: 255,00, 250,25, 243,50 & 235,25
Resistances: 260,50, 262,25, 271,00 & 294,00

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



BRAZIL

Weather patterns in Brazil continue to heavily affect the sentiment of the coffee futures markets. Brazil is grappling with a prolonged drought, which could be causing serious damage to the crops. "The crops are really stressed, very poor condition, it is sad to see," said coffee agronomist Jonas Ferraresso, who advises coffee farms in Sao Paulo and Minas Gerais state, quoted by Reuters. He said that even if rains return in October, leading to the flowering phase, trees will hardly have energy to convert those flowers into fruits.

Over the past weekend, rain accumulations on Sunday were noticeable in the São Paulo and Paraná coffee regions with a range of 6-20 mm. The rain forecast now shows some rain coming for Tuesday the 24th next week. Some forecasts show accumulation in the range of 1-8 mm in areas of Minas Gerais. The high temperatures continue to present a danger with temperatures in the range of 28-42 Celsius from now to the end of the month.

According to the authoritative Funcafé, it is unlikely that Brazil will be able to provide an abundant harvest next year, given the vegetative state of the trees.

Apart from that, the Brazilian Institute of Geography and Statistics (IBGE), a public body under the Ministry of Economic Planning, has lowered its estimate for the 2024/25 harvest by 1.6%. Production is now estimated at 59.7 million bags, up 4.8% from 2023/24, due to a 3.6% increase in average yields and a 1.2% increase in productive areas. The Arabica crop totaled 42 million bags, up 6.5% on the previous year. Robusta production fell 4.4% to 17.7 million bags, reflecting a 3.3% decline in the area under cultivation and a 1.1% decline in average yields.

Meanwhile, Safras data, updated on 10th September, indicate that Brazilian producers have already sold 54% of this year's crop (2024/25), an increase of 14% over the previous month and in line with the average of the last 5 years (2019 to 2023). The good progress of sales ended up raising the commercial flow above the reference of the same period last year, when the producer had sold 50% of the crop. So far, 48% of the arabica crop has been sold, which is well below the historical average (52%), although slightly higher than last year.

Global coffee production is expected to rise by 2.2% to 174 million bags in the 2024-25 season, leaving the world with a small arabica beans surplus, according to a report published by Rabobank analysts led by Carlos Mera. However, the potential of the 2025-26 Brazil arabica crop should be "hanging by a thread" due to dry and hot conditions. Rainfall in arabica areas has been consistently below normal levels since the start of the dry season in April. While weather forecasts show the likelihood of rains in the coming week, the rains need to be consistent to maintain the flowering process. "In any case, after so much stress, we believe the 2025-26 arabica crop potential is already to somewhat compromised," the analysts said. "The extent of the impact will be uncertain until we see the fixation of the flowers"

Brazil, along with the US and other countries, has formally asked the European Union to delay the entry into force of the EUDR, scheduled for the end of the year. One of the panels at the 6th CEO & Global Leaders Forum, held past week in London as part of the ICO's autumn round of meetings, was dedicated to the new EU anti-deforestation legislation. The concerns of the Brazilian industry were voiced on this occasion by Marco Matos, Director General of Cecafé. In particular, Matos highlighted the risk of false positives due to the limitations of the technologies used by the EU. "As previously agreed with the Brazilian delegation in London, I asked the EU representatives that any divergence on these false positives be addressed and debated between governments and at the academic level, taking the burden of uncertainty and risk off the shoulders of the private sector, which is responsible for the flow of the coffee trade," Matos said.

Logistics remain an issue, with securing containers becoming increasingly challenging, particularly for 20' units. This shortage is forcing importers to opt for 40-foot containers, resulting in additional costs.

VIETNAM

In Vietnam, the toll caused by last week's typhoon Yagi, which claimed over 230 lives and caused extensive damage, was very heavy. Anyway, the natural disaster did not affect the coffee producing areas. On the contrary, the climate continues to be favorable in the central highlands for the final development of the 2024/25 crop, local traders claim. But the damage caused by the drought in the first half of the year remains, would have greatly reduced the production potential of the next harvest, which will come into full swing in November.

Trading activity in Vietnam remains subdued due to the limited availability of green coffee.

The BBC released an interview with Judith Ganes about the decrease of planted area with coffee since 2023 due to the concentration of the farmers with the Durian as much more profitable business at that time. Independently, today the Durian prices have collapsed due to concentrated demand by China, and do not seem to be a main reason for current market levels at London terminal futures.

CENTRAL AMERICA / COLOMBIA

The collective **Mexico and Central American producer bloc** is forecast to bring forth a potential increase in production of 6.40% when compared to the decade low performance in 2023/24. Although there are uncertainties around the climatic impact through development, as well as internal harvest challenges, production is estimated to be reach the region of 16.50 million bags for the 2024/25 coffee year. Ahead of the upcoming harvest, Honduras, Nicaragua, as well as a modest increase from Costa Rica are expected to contribute toward a recovery, still around 12.50% below that of achieved production for the region in past years and conducive environmental conditions.

The world's top coffee body, **the ICO**, is set to request that the European Union postpone a requirement that imported beans come from areas not linked with deforestation, the group's head said on Wednesday. "We can't meet that date, it is not possible," said Vanusia Nogueira, director of the International Coffee Organization (ICO), in an interview. "It's a very ambitious deadline," Nogueira said. "We believe that by working with (EU leaders), they might be more open to postponing that date." She did not specify for how long the ICO was looking to postpone the deadline. Nogueira spoke at a coffee summit hosted by the Community of Latin American and Caribbean States (CELAC) in Tegucigalpa. The nearly three-dozen member nations of the CELAC are expected to close the summit with a declaration requesting the EU to postpone the deforestation requirement date, Honduran Deputy Minister of Coffee Growing Carlos Murillo said.

OTHERS

Whereas higher robusta prices are anticipated to have incentivized producers in **West Africa** and to the East, leading robusta producer in Africa, Uganda, overall coffee production is anticipated to remain steady, estimated in the region of 15 million bags. Coffee production is led by Ethiopia solely arabica production that is estimated to come in at 7.5 million bags, around half estimated to be locally consumed within the country.

DEMAND / INDUSTRY

Coffee imports to the EU surged nearly 13% in the 2Q from a year earlier due to higher appetite for stocks ahead of the implementation of the European Deforestation Regulation. Analysts expect strong import data until the end of 2024, followed by a significant dip in early 2025. Brazil's weather, shipping disruptions, and the EUDR will play an important part in near-future price formation.

A **rebound in ICE coffee inventories** from historically low levels could be negative for prices. Last Thursday, ICE-monitored arabica coffee inventories rose to a 1-1/2 year high of 858,474 bags, up from the 24-year low of 224,066 bags posted in November 2023. Also, ICE-monitored robusta coffee inventories on July 25 rose to a 1-year high of 6,521 lots, up from the record low of 1,958 lots posted in February 2024.

China's Luckin Coffee is set to announce later this year an agreement with Brazil to buy some \$2.5 billion worth of coffee from the South American country's producers, a Brazilian official said on Tuesday. "We have already negotiated the next Luckin Coffee announcement, they want to disclose it at the time of the G20 summit," the head of Brazil's APEX association, Jorge Viana, told an event alongside President Luiz Inacio Lula da Silva.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,11605	1,1179	1,10685

As an element of appreciation of the euro against the US dollar, the Federal Reserve lowered interest rates by 50 basis points. The decision was not unanimous for the first time since 2005 (Bowman advocated for 25 points only). On the other hand, the Fed also lowered its expectations for the average expected rate for the 2024-26 period to 4.4%, 3.4% and 2.9% respectively compared to the previously forecast levels of 5.1%, 4.1 % and 3.1%. In summary, the Fed maintained its growth scenario and slightly lowered its inflation 's.

On the contrary, as an appreciation element of the USD, it should be noted that in the Eurozone the final monthly inflation for August was revised downwards by one tenth to 0.1% (the interannual level remains unchanged at 2.2%).

ADDITIONAL COMMENTS

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