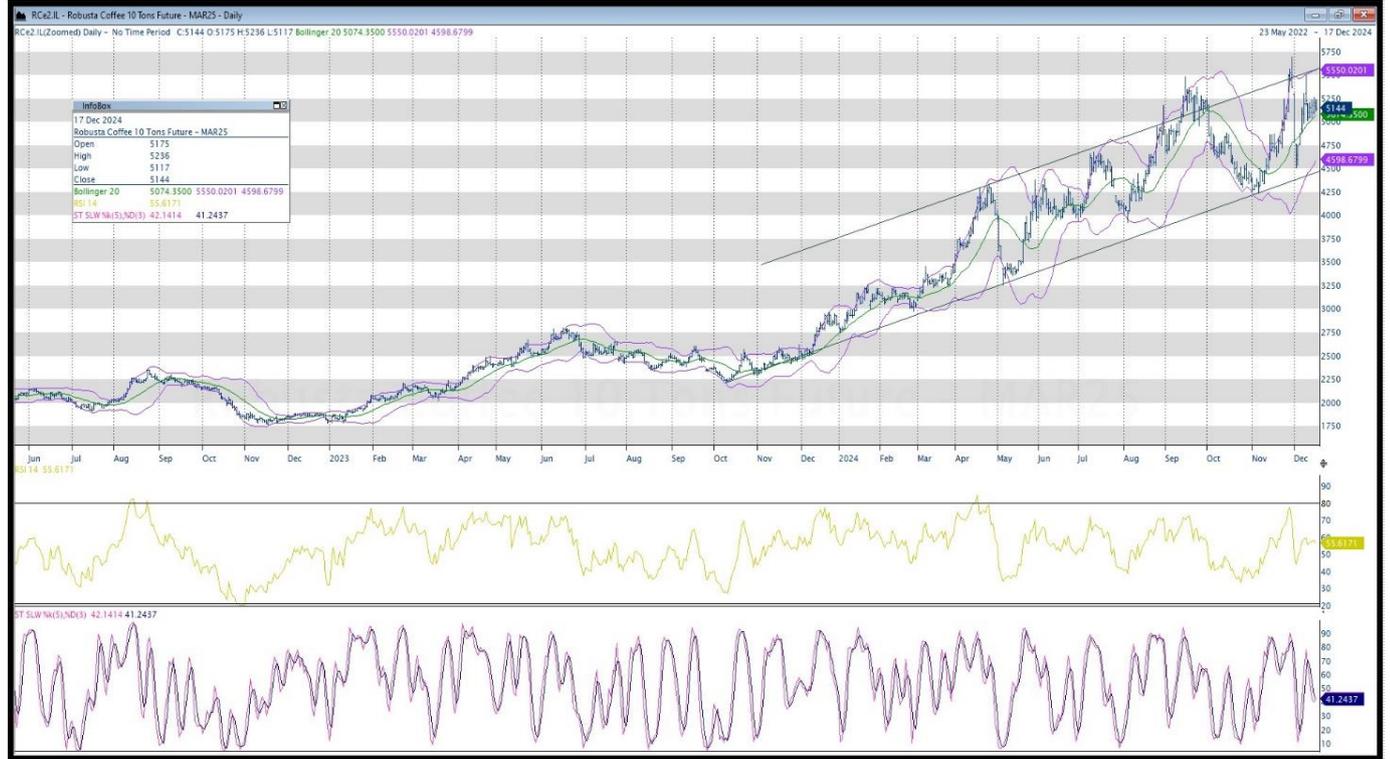


LONDON ICE MARKET



| LONDRES | | | | | |
|----------|--------|-----|------|------|--------|
| Posición | último | dif | alto | bajo | cierre |
| JAN25 | 5197 | -33 | 5250 | 5145 | 5230 |
| MAR25 | 5151 | -52 | 5236 | 5110 | 5203 |
| MAY25 | 5084 | -56 | 5159 | 5053 | 5140 |
| JUL25 | 5012 | -45 | 5080 | 4979 | 5057 |

| NUEVA YORK | | | | | |
|------------|--------|-------|--------|--------|--------|
| Posición | último | dif | alto | bajo | cierre |
| DEC24 | 328,75 | 7,90 | 328,25 | 328,25 | 328,75 |
| MAR25 | 321,80 | -5,60 | 325,95 | 318,25 | 327,40 |
| MAY25 | 319,05 | -5,60 | 323,20 | 315,75 | 324,65 |
| JUL25 | 313,85 | -5,75 | 318,05 | 311,05 | 319,60 |

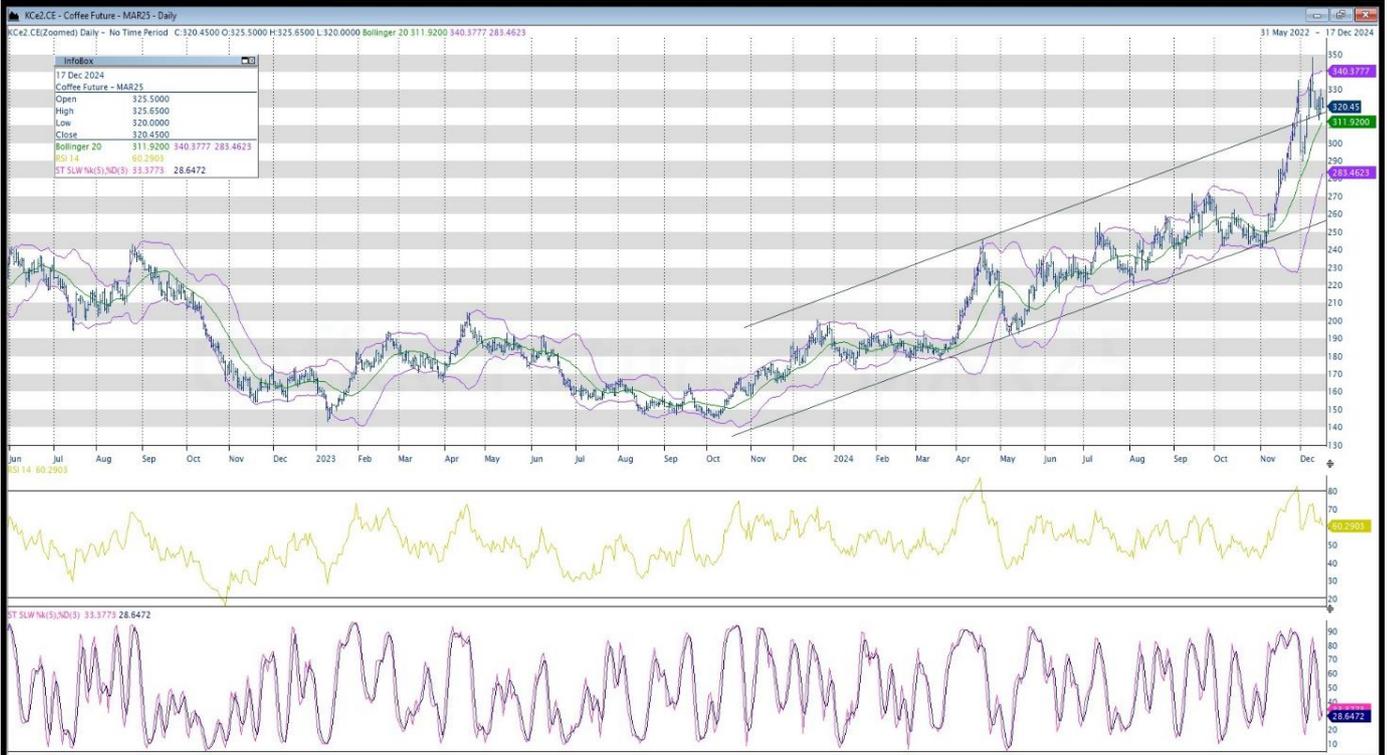
London ICE:

Supports: 4890, 4510 & 4450
Resistances: 5245, 5325 & 5510

New York ICE:

Supports: 316,50, 313,00, 290,00 & 276,50
Resistances: 320,25, 334,75, 346,25 & 348,25

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



WEEKLY MARKET REPORT

BRAZIL

Brazil's coffee exports reached 46.399.000 bags through November, surpassing the previous record of 44.707.000 bags set in 2020, according to the Brazilian Coffee Exporters Council (Cecafé). Brazil's November shipments of coffee rose 5.4% year-on-year to 4.66 million bags, generating revenue of \$1.343bn, up 62.7% from November 2023, *Agencia Brasil* reported. Year-to-date revenue reached \$11.30bn, marking a 22.3% increase.

Meanwhile, leading coffee roasters in Brazil, including global major JDE Peet's, have announced significant price increases for early 2025 as adverse weather conditions drive raw bean costs to record highs.

After poor outlook of Brazilian production by Volcafé, Neuman Group reported that they cannot yet provide a confident Brazil 25/26 estimate, but observations to date support their long-held view that the arabica cherry set will be subpar with the crop lower YoY likely towards 40 million bags. On the other hand, the conillon crop looks much more promising.

The analysts Safras & Mercado have reported that Brazil coffee farmers have sold around 79% of the estimated total production of 66.04 million bags from this current Brazil Coffee crop. The pace of sales is well ahead of the same time last year, where this was recorded at 69%, thus illustrating that farmers within the world's largest producer country are in a well-financed position going into the new year.

The cold front that moved through the Southeast region last week brought rainfall to all coffee-growing areas. Weather forecast models indicate that two additional cold fronts are expected to reach the Southeast by the end of the year, with accumulated precipitation projected to be slightly above the historical monthly average.

Brazil economists lifted their estimates for borrowing costs in December of 2025 to 14%, in line with the Central Bank's newly released guidance of two more full percentage point hikes in as many meetings. The benchmark Selic will rise to 14.25% by March of 2025, with only one quarter-point cut to 14% expected by the end of the year, according to a weekly central bank survey of economists published Monday. That's higher than the prior estimate of a 13.5% rate next December.

VIETNAM

New figures on Vietnam have been released these days by the Vietnam's Coffee and Cocoa Association (Vicofa). The Association predicts that this year's crop 2024/25 will be between 26.67 and 28.33 million bags, below the median of 28.5 million bags that has been forecast by various independent analysts. Exports, again according to Vicofa, will increase by 9% to around 23 million bags. The Association is also optimistic about local consumption, which is expected to be between 4.5 and 5 million bags this year.

According to USDA experts, Vietnamese production will rise from 27.5 million bags last year to 30.1 million bags this year (of which 29 million bags of Robusta). While acknowledging the impact of this year's drought and pest outbreaks, the report argues that producers – encouraged by very high price levels – have invested in farm care and inputs, limiting losses. Farmers with access to irrigation were also able to offset most of the impact of the drought, says the report.

CENTRAL AMERICA / COLOMBIA

Colombian coffee crop will likely yield 13.6 million 60-kilogram bags in 2024, up 20 per cent compared to production last year, according to an XM Group trading report. The increase is due largely to improved pest controls and adaptations to climate change. According to German Bahamon, Head of the National Federation of Colombian Coffee Growers, the Colombian crop's value for 2024 should total more than 14 trillion pesos (US\$3.14 billion). Last year's coffee crop brought in \$11.1 trillion pesos (US\$2.51 billion).

OTHERS

India and Uganda closed their (Oct-Sep) 23/24 crop years with higher YoY robusta exports (by 12% and 7% respectively) in line with higher supply. In India the higher flow was centered in the Jan-Jun 2024 window, while the higher exports in Uganda came later during May-Aug as the good 23/24 mid-year crop came through and Vietnam supply dwindled further.

DEMAND / INDUSTRY

Coffee is getting more expensive for Brazilian consumers, with the main competitors in the market announcing steep increases. 3Corações – a joint venture between the Strauss Group and local company São Miguel – will hike prices by 11% in January after raising them by 10% in December, reports Reuters. Melitta announced price increases of 25%, following a recent 12% increase. The world's number one pure player in the coffee and tea market, JDE Peet's, is set to raise prices by an average 30% next year, according to sources quoted as well by Reuters. Brazil is the world's second largest consumer market for coffee after the US, with consumption estimated at 21.68 million bags by 2022/23 (Abic data).

Giuseppe **Lavazza**: "We are working on an important joint venture with a big player in China specializing in retail. The company is Yum China. With them, we are planning to open about 1000 coffee shops by 2028."

QUOTATION EURO / US DOLLAR

| €/US\$ rate | last | high | low |
|------------------------|---------|---------|---------|
| EUR/USD Euro/US Dollar | 1,05045 | 1,05341 | 1,04793 |

As per **Rabobank**, Trump's victory in the presidential election and the new Republican majorities in Congress imply a major regime change in the US in 2025. Trade and foreign policy are likely to be characterized by higher import tariffs, while fiscal and domestic policy should lead to a lower tax rate trajectory, deregulation and tighter border policy. For the Fed, the prospect of a rebound in inflation is likely to induce a pause in the cutting cycle during the course of 2025.

Analysts widely anticipate that the US Federal Reserve will lower interest rates by 25 basis points during its December 17-18 meeting. However, much of the market's attention will likely center on the updated economic projections set to accompany the decision. These projections will offer fresh insight into how far Fed officials expect to cut rates through 2025 and potentially into 2026.

ADDITIONAL COMMENTS

The USDA's Foreign Agriculture Service (FAS) projected that world coffee production in 2024/25 will increase +4.2% y/y to 176.235 million bags, with a +4.4% increase in arabica production to 99.855 million bags and a +3.9% increase in robusta production to 76.38 million bags. The USDA's FAS forecasts that 2024/25 ending stocks will climb by +7.7% to 25.78 million bags from 23.93 million bags in 2023/24.

EUDR aplazado: Las empresas tendrán un año más para cumplir con las nuevas normas de la UE para prevenir la deforestación que prohibirán la venta en la UE de productos procedentes de tierras deforestadas. Por 546 votos a favor, 97 en contra y 7 abstenciones, el Parlamento ha adoptado el acuerdo político provisional con el Consejo para retrasar la aplicación de las nuevas normas.

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