

LONDON ICE MARKET



LONDRES

Posición	último	dif	alto	bajo	cierre
MAY22	2074	53	2039	2034	2074
JUL22	2081	-8	2085	2073	2089
SEP22	2087	-7	2091	2081	2094
NOV22	2087	-8	2090	2083	2095

London ICE:

Supports: 2085, 2060 & 1990
Resistances: 2125, 2170 & 2195

NUEVA YORK

Posición	último	dif	alto	bajo	cierre
MAY22	217,90	1,95	218,40	214,65	217,90
JUL22	218,75	1,15	219,25	217,80	217,60
SEP22	218,95	1,55	218,95	217,65	217,40
DEC22	218,05	1,35	218,25	216,95	216,70

New York ICE:

Supports: 217,50 & 212,75
Resistencias: 219,50, 221,50, 230,00 & 237,75

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



BRAZIL

The quotations for arabica coffee have been fluctuating widely in Brazil, which is driving agents away from the national spot market. Early last week, arabica prices dropped, pressed down by steep devaluations abroad – due to the dollar depreciation and perspectives for lower demand for coffee worldwide. However, towards the end of the week, the domestic prices for arabica coffee resumed rising, offsetting the losses from the previous days. The boost came from the dollar appreciation against the Real, the increase in the future contracts and the absence of sellers in the market. According to Cepea collaborators, farmers are expected to resume selling higher volumes as the harvesting of the 2022/23 advances – activities are supposed to begin in May.

The harvesting of the 2022/23 robusta crop is advancing slowly in Rondônia, due to the high share of beans that are still green. Agents reported that the coffee already harvested is being allocated to the accomplishment of contracts – a higher volume of robusta is expected to arrive at the spot market in May. In Espírito Santo, beans have been sporadically hand-picked this month. As the price gap between the coffee from the current and the seasons is narrow.

The Brazilian real has returned to the list of worst currencies among its peers with two sessions of heavy losses, suffering a blow from the rallying dollar after benefiting from a crowded carry trade, with increased tensions in Brasilia giving traders a reason to get out. On Monday, the real fell 1.44%, after a 3.91% tumble on Friday, when its depreciation jumped to the highest levels since the world plunged into the coronavirus pandemic two years ago. The U.S. dollar's rally has been globally buoyed by risks of a stronger monetary tightening by the Federal Reserve, but domestic issues have amplified the impact on the Brazilian currency following its impressive gains since the year began.

Weather - Dry in most producing areas. Next five days: An atmospheric blocking prevents the advance of cold rain fronts through Brazil. As a result, the week will be dry, sunny and with temperatures above the historical average in most producing areas.

VIETNAM

Robusta International prices have dropped more than 4% this month on good supply prospects in Brazil and Vietnam. As per Rabobank analyst Carlos Mera, both Brazil and Vietnam are having a record crop, which is expected to keep robusta prices under check. Demand for robustas is certainly good, given the arbitrage, but productivity, especially in Brazil, has been outstanding. We expect some of this robusta to show up in the certified stocks in the coming months.

Domestic coffee prices in Vietnam fell slightly from a week ago, driven by weak demand and a strong U.S. dollar, traders said. Farmers in the Central Highlands sold coffee at 39,000-40,000 dong (\$1.7-\$1.74) per kg, down from last week's 40,300-41,000 Dong range.

CENTRAL AMERICA / COLOMBIA

Peru - Producers in the low altitude zones have started the harvest. Cooperatives are receiving coffee in small quantities at their warehouses. The price of coffee on the stock market is decreasing, but this is not reflected in the domestic prices. In the area of Cajamarca, the rains are very constant.

OTHERS

Uganda - The export tax, known as CESS, doubled value of shipments in line with a new coffee law that became effective in September, Emmanuel Iyamulemye, Managing Director Uganda Coffee Development Authority said. As per the UCDA, this measure was deemed necessary because the country has the lowest rate of CESS in East Africa and probably in the world. Tax is used for "development activities" in the sector, the authority says on its website. Uganda exported 2.88 million bags worth \$422.94 million in nine months through March.

DEMAND / INDUSTRY

As per the **NCA**, the USA coffee consumption is at a two-decade high. 66% of Americans reported that they had consumed coffee within the past day. This is up a staggering 14% since January 2021. The COVID-19 pandemic continues to impact Americans' coffee drinking habits. While 27% of coffee lovers (up 8% from January 2021) are venturing out of home for their brew more frequently, out of home coffee consumption still has not returned to pre-pandemic levels.

Coca-Cola on Monday reported quarterly earnings that topped analysts' expectations. The Atlanta-based company posted net income attributable to shareholders of \$2.78 billion, or 64 cents per share, topping Wall Street's expectations for per-share earnings by 6 cents, according to a survey by Zacks Investment Research. Coca-Cola's Coffee business grew 27%, primarily driven by cycling the impact of Costa retail store closures in the United Kingdom in the prior year and continued expansion of Costa coffee across markets.

A recent forecast by **Citigroup** shows a global coffee surplus of 3.5 million bags for the 2022/23 crop year.

Certified Arabica coffee stocks against NY Exchange increased by 9,250 bags to a total of 1,126,162 bags. Pending qualification are at 12,646. Today 10,715 bags were classified, 9,250 passed.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,0561	1,05787	1,04916

In what respect the European currency it is interesting to mention that the German consumer morale is projected to plunge to a historic low in May as the war in Ukraine leads to soaring costs for households and dashes hopes of a post-pandemic recovery, a survey showed on Wednesday. About US dollar, the average interest rate on the most popular U.S. home loan rose to its highest level since June 2009 last week and demand for mortgages ebbed as the impact of rising costs began to bite, Mortgage Bankers Association (MBA) data showed on Wednesday. The average contract rate on a 30-year fixed-rate mortgage increased to 5.37% in the week ended April 22 from 5.20% a week earlier, the MBA survey showed.

Sweden's central bank hiked its key interest rate by 25 basis points to 0.25% on Thursday and flagged further tightening ahead in a radical shift of policy plans sparked by surging inflation.

ADDITIONAL COMMENTS

Shipping group **Maersk** on Tuesday raised its guidance for the full year after first-quarter operating profit came in above its previous expectations, driven by high container freight rates. "The strong result is driven by the continuation of the exceptional market situation within ocean (shipping)," Maersk said in a trading statement. Guidance for the full year was revised upwards, with underlying earnings before interest, tax, depreciation and amortization (EBITDA) expected to be about \$30 billion compared to \$24 billion previously expected. The guidance was based on an "assumption of normalization in ocean shipping early in the second half of 2022", it said. Container freight rates rose by an average 71% in the first quarter compared to a year earlier, the company said.

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