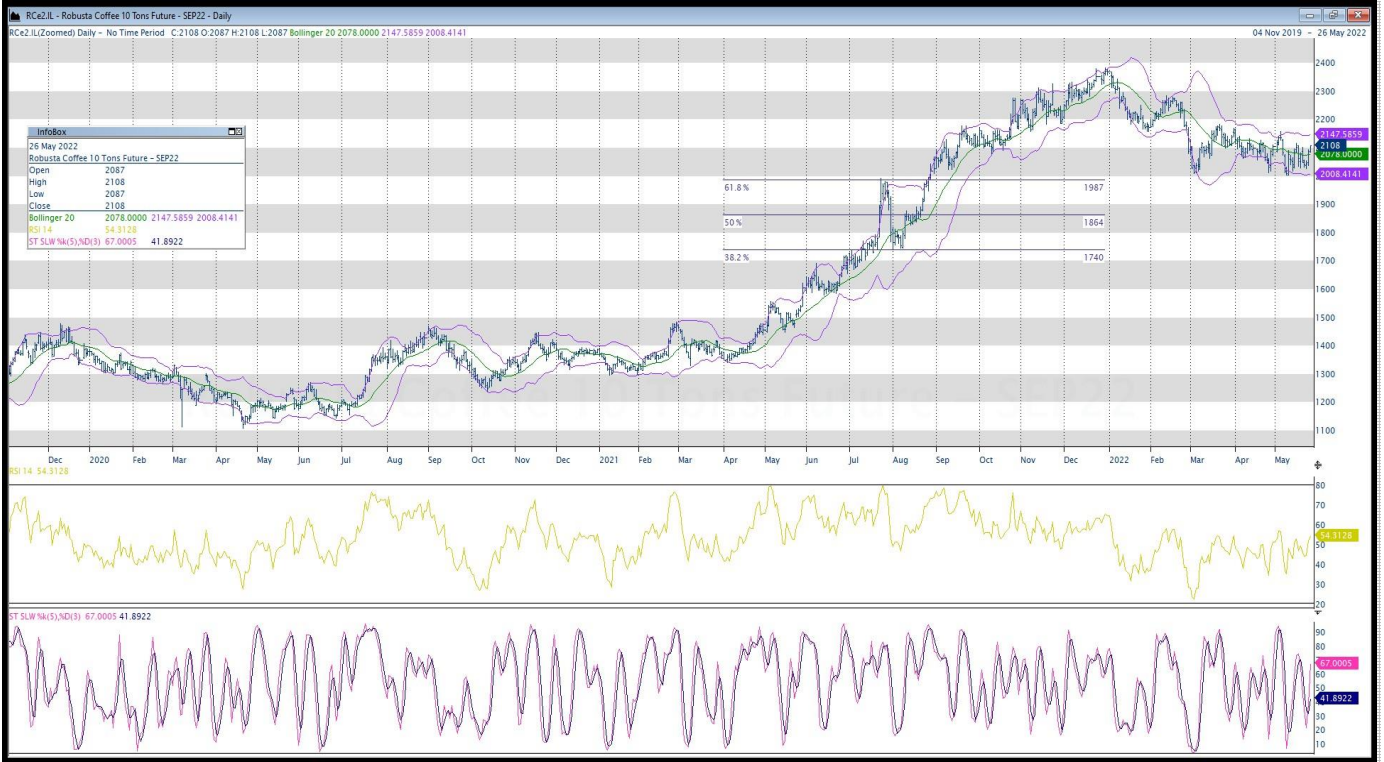


LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
JUL22	2110	22	2111	2085	2041
SEP22	2108	20	2109	2087	2088
NOV22	2085	14	2085	2064	2088
JAN23	2065	11	2065	2049	2071

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
JUL22	223,50	6,45	223,80	216,50	217,05
SEP22	223,60	6,30	223,95	216,75	217,30
DEC22	223,00	6,00	223,30	216,55	217,00
MAR23	221,25	5,35	221,65	215,80	215,90

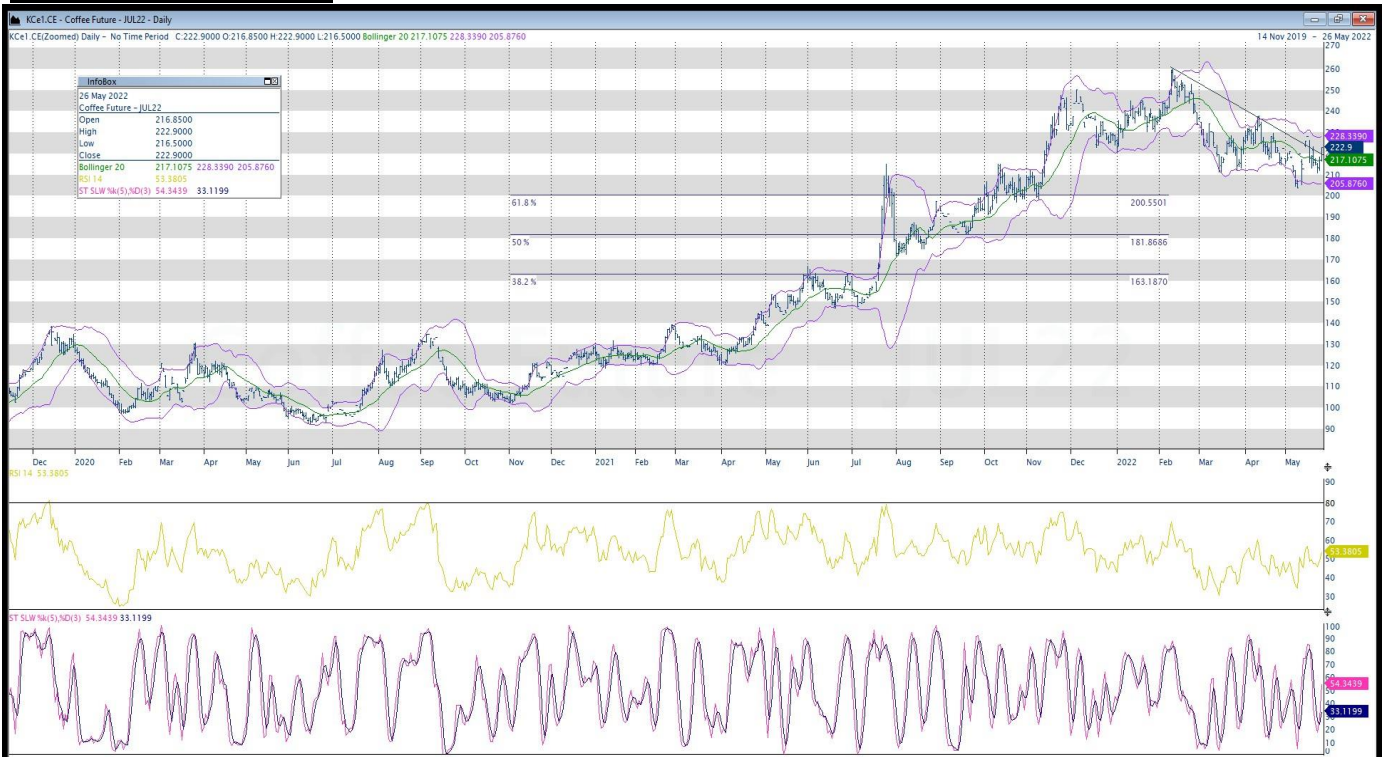
London ICE:

Supports: 2055, 2030 & 1990
Resistances: 2120, 2150, 2185 & 2245

New York ICE:

Supports: 218,50, 212,75, & 202,50-201,75
Resistances: 222,25 & 229,35

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



BRAZIL

The harvesting of the Arabica 2022/23 crop is still slow, even in the Matas de Minas (Zona da Mata), where activities began in late April. According to local agents, this scenario may be linked to the homogeneous maturation of beans – resulting in a large amount of beans to be harvested at the same time – and reduced labor in the area. According to farmers, hiring workers has been expensive because of the competition with the harvesting of robusta crops in Bahia and Espírito Santo, where the outputs are expected to be high in the current season. In the remaining arabica-producing regions, activities have already begun, but the volume harvested is still below 5%.

In Rondônia, the harvesting of the Robusta/Conilon 2022/23 crop has advanced totaling from 25 to 35% of the total estimated. However, the output in the current season may be lower than that initially estimated because of the weather. On the other hand, in Espírito Santo, activities are beginning to step up – last week, 15% of the crop had been harvested. The expenses with labor have been high, and the number of workers is low, reducing the pace of activities. Still, the harvesting is expected to step up early June.

Week with dry and sunny weather in the Arabica coffee areas. Temperature increases slowly and, only during the weekend, the maximum will reach 30°C in the Cerrado region. Espírito Santo and the Zona da Mata of Minas Gerais will be the only areas to receive rain. News of a cold front that will be arriving to the Brazil main producing coffee areas raised concerns amid participants on Wednesday. The front is forecasted to arrive on the weekend of June 4th to Parana and South of Minas Gerais. According to local meteorologists, it doesn't offer a major threat for the moment.

VIETNAM

In Vietnam continues the scarce availability of coffee in the Domestic market, waiting for the entrance of the new crop only by end 2022, what has pushed differentials again narrower, together with the stronger premiums paid for the RFA/UTZ certifications.

Stocks at origin in strong hands of certain Trading Houses who continue with a very disciplined selling pace.

CENTRAL AMERICA / COLOMBIA

Ecuador – As per the USDA, production is forecast to climb 36% y/y to 354k bags in 2022-23 helped by an increase in expected area harvested, as well as improved pruning techniques and fertilization practices.

OTHERS

Uganda - The USDA have reported that due to favorable weather conditions and a coffee rotation and pruning program, that has seen old robusta trees taken out of production and replanted, now coming into fruition that coffee production in Uganda for the coming October 2022 to September 2023 coffee year shall be 400,000 bags or 6.40% larger than the current October 2021 to September 2022 coffee year, at a total of 6,650,000 bags. This crop is expected to be made up of 5,750,000 bags of Robusta Coffee and 900,000 bags of arabica Coffee. Of this new crop, the forecast is that Uganda will export 6.53% or 400,000 bags more than the previous marketing year at a total of 6,520,000 bags of green coffee.

DEMAND / INDUSTRY

Demand for coffee in non-producing countries showed a healthy recovery in the first quarter, although there are signs of possible slowdowns in demand in Russia and China for the coming quarters, analysts from **Rabobank** said in a report on Friday. It said, "coffee disappearance," a term indicating the amount of coffee non-producing countries are actually consuming and not packing for re-export, rose 6.9% in the first quarter compared to the same period a year earlier. The European Union plus United Kingdom area saw a larger increase, at 9%, while the United States jumped 4.6% and Japan, 5.1%. Rabobank said the numbers are still not great compared to pre-pandemic levels. The result in the first quarter was only 0.6% higher than two years ago (Q1 2020). The analysts said Russia's war in Ukraine and Chinese Covid lockdowns could dent coffee demand in those countries. They also said high retail prices could hurt demand in Brazil, a top producing country which is also the second largest global coffee consumer after the United States. The coffee market could see a surplus of 1.7 million bags in 2022-23 compared with a deficit of 5.1 million in 2021-22, driven by a production recovery in Brazil, according to preliminary forecasts by Rabobank. The bank estimates global demand at 170.6 million bags each of 60 kilograms (132 pounds) for 2022-23, with production seen at 172.3 million bags.

Starbucks said on Monday it will exit the Russian market after nearly 15 years as the coffee chain joins McDonald's in marking the end of the presence of some of the top Western brands in the country. Seattle-based Starbucks has 130 stores in Russia, operated by its licensee Alshaya Group, with nearly 2,000 employees in the country. The company, which opened its first outlet in Russia in 2007, said it will continue to support its employees there, including paying them for six months. Starbucks did not provide details on the financial impact of the exit.

Andrea Ily of **Illycaffè** was on Bloomberg TV Wednesday, "I don't see the conditions for the price to come down in the next ten months, it probably will be mid 2023 before the price will start to come down, if nothing happens in the meantime," he said, referring to coffee prices.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,0702	1,0723	1,06627

ECB chief economist Lane stated that the increase in household inflation expectations is a concern and it is appropriate to normalise monetary policy. He added that the speed of monetary policy moves after the third quarter will be decided depending on the economy.

Council member Knot stated that inflation expectations are at the upper limit of being well anchored and that a 50 basis-point rate hike isn't off the table.

ADDITIONAL COMMENTS

This report is a marketing communication and has not been prepared in accordance with legal requirements designed to promote the independence of investment research; and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

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