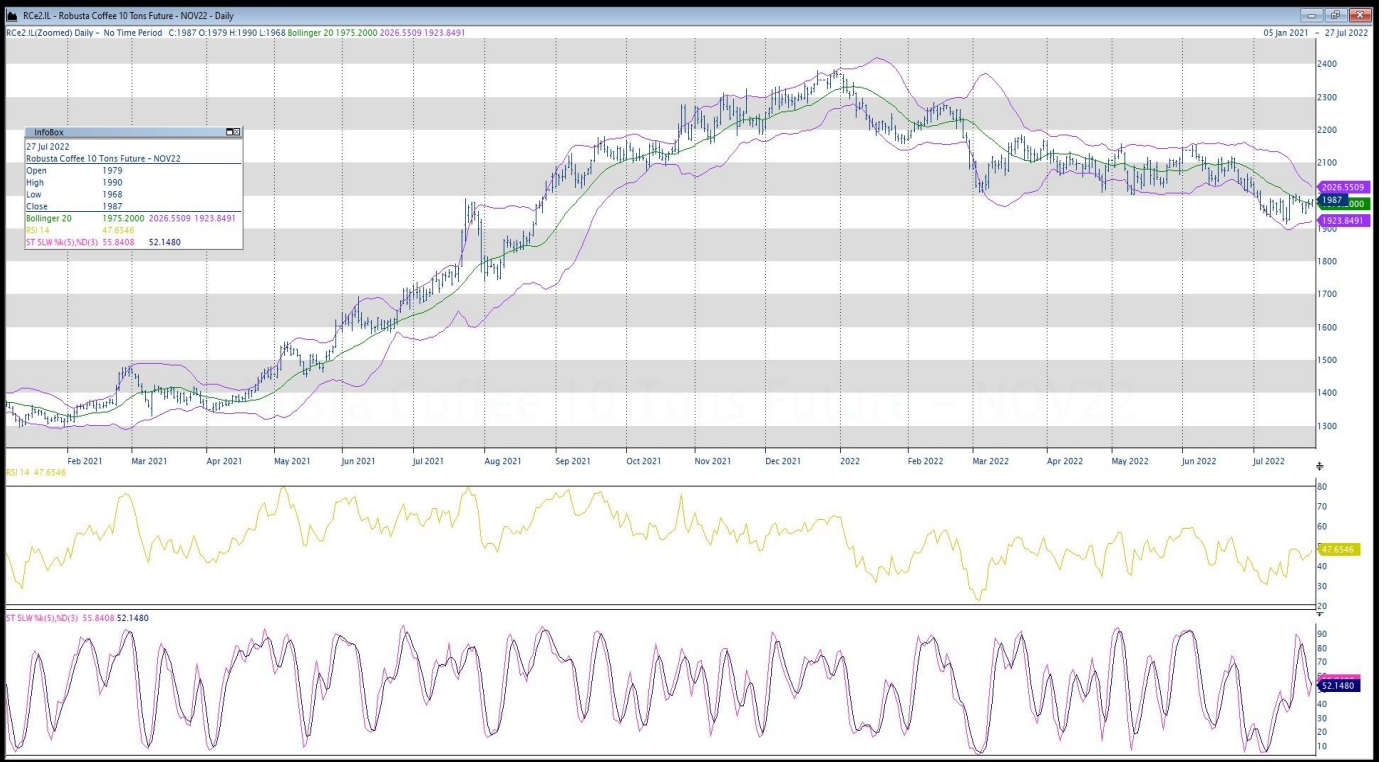


**LONDON ICE MARKET**



**LONDRES**

Posición	último	dif	alto	bajo	cierre
SEP22	1991	17	1992	1969	1974
NOV22	1987	13	1990	1968	1974
JAN23	1969	14	1969	1950	1955
MAR23	1946	7	1950	1935	1939

**NUEVA YORK**

Posición	último	dif	alto	bajo	cierre
SEP22	217,40	4,20	217,70	212,55	213,20
DEC22	213,50	4,05	213,75	208,75	209,45
MAR23	208,75	3,30	208,85	204,65	205,45
MAY23	205,90	3,00	206,15	203,00	202,90

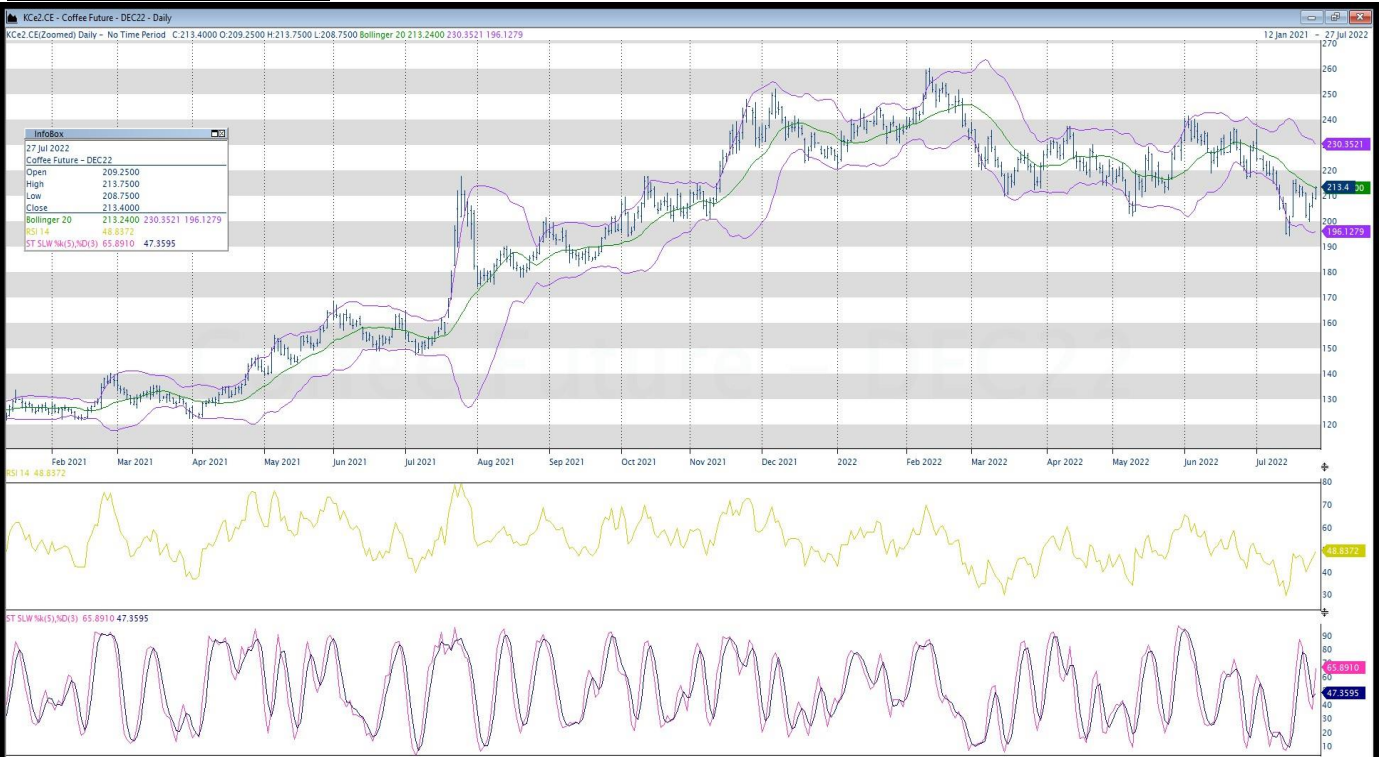
**London ICE:**

Supports: 1960-1940 & 1785-1770  
Resistances: 1985, 2015, 2065, 2115 & 2155

**New York ICE:**

Supports: 210,75, 207,75, 202,50 & 193,75  
Resistances: 214,50 & 224,25

**NEW YORK ICE MARKET**



WEEKLY MARKET REPORT



WEEKLY MARKET REPORT

**BRAZIL**

The harvest is still slow due to labor shortage factors already mentioned in previous reports, but it is being benefited by the favorable weather without rains, helping producers in the harvest procedures and supporting a good quality beverage of the beans.

Brazil's Cooxupe Cooperative said that their coffee harvest was 42.8% complete as of July 15<sup>th</sup> vs. 43.7% a year earlier by same dates. Safras said as well that crop 22/23 harvest was 59% done as of July 12<sup>th</sup> vs 62% a year earlier.

The 2021/22 Brazilian coffee exports season ended in June. According to data from Cecafé, shipments totaled 38.6 million bags of 60 kilograms (green beans, roasted and soluble coffee), 13.3% down from that in 2020/21. This decrease was already expected, due to the lower output last season and logistic issues. However, performance was still higher than that in other seasons. Revenue increased by 38.7%, reflecting the high rises of arabica prices. The harvesting of robusta coffee has ended in both Espírito Santo and Rondônia States, with only some late crops left to be harvested. According to Cepea collaborators, the output from ES is considered good and expected to near 16.6 million bags of 60 kg (estimated by the USDA in June/22). On the other hand, in Rondônia, there has been a crop failure, and estimates were revised down by 2.6 million bags from that indicated by Conab in May/22. Some carriers have suspended their operations departing from the port of Rio de Janeiro. There are operational restrictions for some destinations, mainly to the United States and Germany, from which we have already received notification of allocation only for September onwards. There is also the unavailability of food standard containers depending on the shipping line.

As frost risk mostly gone, concerns now turns into the dry weather. Last good rains registered were on Apr10th, even though its being favorable for the quality such long periods without rains might start hurting 2023/24 crop potential.

Light showers fell in southeastern Bahia. Similar activity expected in Bahia region next five days. Continued warm temperatures will maintain low frost threats. Lows so far this morning: Maria da Fe, Minas Gerais: 43o F (6oC) Machado, Minas Gerais: 54o F (12oC). Temperatures will trend slightly cooler in far southern areas next week, but readings should remain well above frost levels.

**VIETNAM**

Coffee growers have almost sold out their beans and there have been very few transactions recently. Local sources said domestic supplies won't increase until the end of this year when the new harvest in the Central Highlands begins.

Vicofa said that Vietnam's 22/23 Robusta production may drop as much as 7% and Arabica output may slide up to 35% y/y after bad rains.

Moderate rainfall was received over some of the highland coffee regions topping up the adequate moisture for crop development during the cherry filling stage.

As per preliminary data from Customs Authorities, Vietnam exported 58.365 tons of coffee during the first half of July, 12.7% higher than previous month. If the trend is confirmed, the full month exports shall be same with last year when the country exported a total of 122.127 tons.

Stock in bonded and non-bonded warehouses nearby HCMC dropped to 201,400 tons, this is 10.2% lower than previous month and 39% year on year, Cafecontrol reported.

**CENTRAL AMERICA / COLOMBIA**

**Colombia** – In June, the registered coffee production in Colombia, the world's largest producer of washed mild Arabica, fell 10% to 951,000 60-kg bags of green coffee from the almost 1.1 million produced in the same month of 2021, report the National Federation of Coffee Growers. In the last 12 months (July 2021- June 2022), production reached almost 12.3 million bags, down 9% from the almost 13.5 million bags produced a year ago.

Roberto Velez, CEO of Colombia's National Federation of Coffee Growers said that Colombia lost between 15-20% of production over the past two years due to excess rains and cloudiness spurred by La Nina conditions.

**Honduras** - The weather is dry with warm temperature good for cherry maturation, the new crop is progressing well and could begin harvest early

**Guatemala** exports declined 13% in June to 428,544 bags according to the National Coffee Association.

**OTHERS**

The **Indian** government plans to scrap the 80-year-old Coffee act and replace it with a new 'Coffee promotion and development Bill'. The government aims to modernize the functioning of the Coffee Board of India that is responsible for boosting production and the quality of Indian coffee, push exports and support the development of the domestic market. The Bill is likely to be introduced in the ongoing session of the Parliament.

Anil Bhandari, chairman of the India Coffee Trust said that India's 22/23 production is seen rising to 6.15m bags in '22/23 from 5.74m in '21/22 due to "excellent rainfall" and good flowering.

**Ugandan** shipments fell 14% y/y to 530,365 bags after a drought cut Robusta yields in most growing regions.

**DEMAND / INDUSTRY**

**Starbucks** is reportedly exploring a potential sale of its UK business as it faces increasingly tough competition and changing customer habits. Like much of the food and drinks takeaway industry, Starbucks was hit hard by measures to slow the spread of Covid-19. Along with its rivals, it is also dealing with rising costs as well as having to adapt to customers' changing habits as many people shift to hybrid work from home schedules. The company is also facing increased competition in the UK from rival coffee chains including Costa, Pret A Manger and Tim Hortons. Starbucks oversees about 1,000 outlets in the UK, of which about 70% are franchises while the remainder are owned by the firm.

**Pret à Manger's** expansion into India - The company has announced a strategic partnership with Reliance Brands with its first store opening by the end of this financial year. Growth is expected to be aggressive with the company targeting a capture of market share against another dominant overseas chain within the region, Starbucks.

**QUOTATION EURO / US DOLLAR**

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,01451	1,0172	1,01183

Governments and Central Banks continue to focus on reducing inflation and cost of living pressures. Past week, ECB raised rates by 50bps, the first increase in 11 years, and above their own guidance of 25bps. Despite this, EUR/USD continued to weaken as disappointing France and Germany data bolsters recession.

Wednesday, the FED open Market Committee announces its monetary policy decision. The central bank is expected to raise the fed funds rate by 75 basis points. Thursday, preliminary estimate for second quarter 2022 US GDP is released. The forecast is for 1.6 % grow after a 1.6 % contraction in the first quarter.

The Euro was unable to regain ground but did find support above 1.0100.

#### ADDITIONAL COMMENTS

Past week, **stocks held in GCA warehouses** rose by 46,353 m/m to 6,050,084 bags. Although small, it was the third consecutive monthly increase in stocks, which before that were falling every month and reached a one-year low at the end of March amid a global supply tightening after weather woes hurt crops in producing countries.

The increase in the past month still leaves stocks at a relatively low level, far from volumes close to 7.5 million bags seen in 2019 when the global market had better levels of supply.



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