

LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
NOV22	1899	-9	1910	1882	1908
JAN23	1843	-35	1883	1833	1878
MAR23	1831	-33	1870	1824	1864
MAY23	1823	-32	1860	1817	1855

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
DEC22	170,65	-8,20	179,65	167,75	178,85
MAR23	168,85	-8,10	177,35	165,95	176,95
MAY23	167,80	-8,05	176,05	165,00	175,85
JUL23	167,15	-7,50	174,90	164,40	174,65

London ICE:
Supports: 1855, 1835 & 1665-1600
Resistances: 1915, 1990, 2035 & 2140

New York ICE:
Supports: 173,00 & 166,25
Resistances: 177,25, 181,50 & 189,75

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



BRAZIL

The analysts Safras & Mercado have revised their earlier figure for the current Brazil July 2022 to June 2023 coffee year, lower by 1.55% to see production now expected to be at a level of 57.30 million bags. This figure is 3.86% higher than the previous July 2021 to June 2022 coffee year but 20.86% lower, when compared to the last biennially bearing record crop of 20/21. This revision reported to be due to adverse weather conditions within the main producing areas. The larger arabica production year on year is recognized due to the biennially bearing nature of the Brazil coffee crop and the current year being considered an on-year in the cycle, however this biennial larger bearing harvest, for comparative purposes against the last biennial bearing larger record crop of 2020/21, forecast to be around 31.76% below that of the previous biennial larger bearing arabica crop year, that came in a record figure of 51 million bags.

According to data from Cepea (Center of Advanced Studies in Applied Economics), released this week, Arabica coffee prices are falling in Brazil, having reached the lowest levels since August 2021. The researchers linked the declines to favorable weather in the fields, optimal flowering, global recession, and expectations of decreased demand in Europe.

Light to moderate showers will be passing through the southern half during the next five days. The eastern coffee areas will then receive this shower activity during 6-10 day period.

VIETNAM

Generally favorable weather and replanting of old trees have boosted yields in Vietnam. The five Central Highlands provinces of Dak Lak, Lam Dong, Dak Nong, Gia Lai and Kon Tum grow more than 90% of the country's crop. Coffee is planted on a little over 700,000 hectares across Vietnam with a harvested area of 647,600 hectares, according to the farm ministry. All five provinces are forecasting higher robusta yields with Lam Dong, the second-largest grower, having the strongest among them. Nguyen Van Son, director of its agriculture department, attributed this to high-yielding, pest-resistant varieties, increased production from replanted farms and the application of new technologies, such as automatic irrigation and fertilization.

The harvest peaks in November and December, and heavy rains forecast for these months could hurt progress and bean quality, according to provincial authorities.

Rain in the Highlands may be double the historical average next month and 40% higher in December, the national weather agency said. Potential shortages of fruit pickers also worried officials in Lam Dong, Dak Nong and Gia Lai provinces.

Vietnam's central bank on Monday said it would raise its policy rates by 100 basis points, the second increase in a month, in what it said was an effort to head off inflation risks, maintain stability and protect its banking system. Effective Tuesday, the refinancing rate will be increased to 6.0% and the discount rate to 4.5%, the State Bank of Vietnam (SBV) said in a statement.

CENTRAL AMERICA / COLOMBIA

Many independent forecasters predict that production volumes from **Mexico, Colombia and Central America** collectively, are due for increased production volumes this October 2022 to September 2023 coffee year, when compared to the previous year. Weather has been generally conducive although there are concerns over the presence of the La Niña weather phenomenon which brings excessive rains for the Pacific Rim countries.

Ahead of the harvest that is beginning to pick up pace within the region, coffee production for the October 2022 to September 2023 Coffee year in **Colombia** is forecast to potentially be 3.40% higher than the previous coffee year at a total of 12.50 million bags.

OTHERS

Kenya - It remains too dry. Prompt rains are really need. The main crop bean size and quality will be adversely affected if rains do not arrive within the next two to three weeks. Operations at the port of Mombasa are going on at a normal pace.

DEMAND / INDUSTRY

US port warehouses remain decently full despite last month's fall in US port inventories of 71,600 bags. That decline in fact followed six successive month of inventory builds, meaning that even after the September shrinkage stocks remain up 545,000 bags for the calendar year, Green Coffee Association data show. Besides, this time of year has a habit of being a drawdown month. US inventories have now shrunk in four out of the past five Septembers.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	0,99405	0,9998	0,99268

In her press conference, Bank President Lagarde stated that the bank had made substantial progress in withdrawing accommodation. She added that inflation remains far too high while further economic weakening is expected over the remainder of this year and into 2023. Economic risks are still clearly to the downside and a weakening of demand would lower price pressures. The bank expects further rate hikes, but these will be data-dependent and she avoided giving forward guidance.

The dollar, however, was unable to hold its best levels as yields moved lower again, but there was choppy trading with the dollar strengthening again at the European close. Overall, the Euro settled below 1.0000.

ADDITIONAL COMMENTS

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