

LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
NOV22	1835	-16	1835	1835	1851
JAN23	1843	16	1847	1811	1827
MAR23	1832	18	1834	1802	1814
MAY23	1821	16	1824	1795	1805

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
DEC22	173,00	2,00	173,05	168,70	171,00
MAR23	170,70	3,00	170,75	166,05	167,70
MAY23	169,95	3,05	170,10	165,40	166,90
JUL23	169,45	3,25	169,50	164,80	166,20

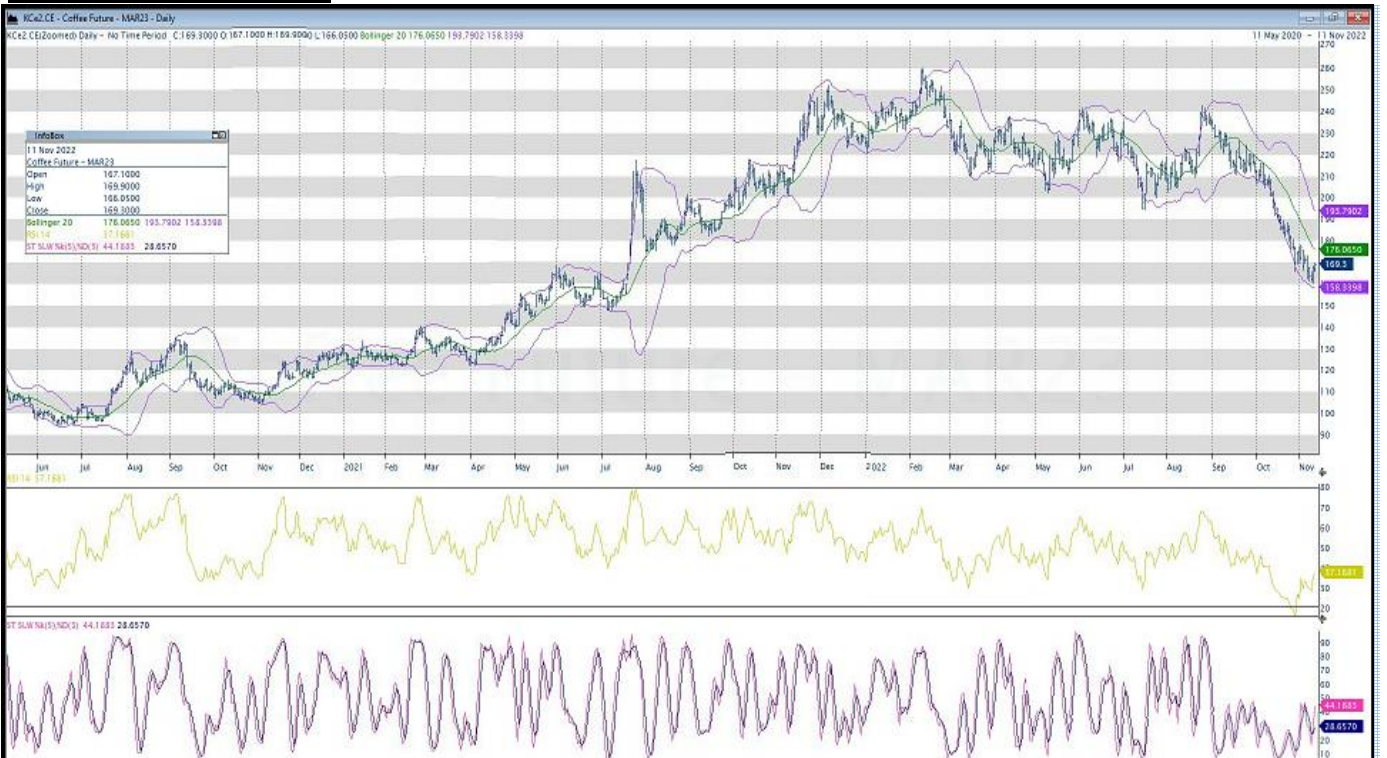
London ICE:

Supports: 1835 & 1665-1600
Resistances: 1875, 1900 & 1970

New York ICE:

Supports: 167,50, 163,75, 161,25 & 159,00
Resistances: 172,00 & 178,25

NEW YORK ICE MARKET



BRAZIL

Rabobank issued an early estimate for Brazil, calling for an 8% higher crop in '23/24 with growth being driven by Arabica. As per same sources, few arabica producing areas are still at risk of having some dryness during December and January. Definitive estimates for the crop depend on weather conditions over the next couple of months. Estimate for the 2022-23 season remains at 63.2 million bags of both arabica and robusta varieties. A global surplus could be seen in 2023-24 as consumption expected to slow down on economic recession & energy crisis.

Cecafe said that Brazil's green coffee shipments for the month of October were seen at 3.18m bags vs. 3.27m bags a year earlier. Arabica exports rose 3.3% y/y to 3.07m bags whilst Robusta shipments fell 63% to 110,675 bags. "Greater demand for robusta from the local industry is limiting shipments", Cecafe's president Gunter Hausler said. He also said that low availability of containers continues to impact exports.

This week is starting with a predominance of dry weather over producing areas in the Center-South of the country, while a humidity corridor operates between the North and Northeast regions, where it has been raining significantly since last week. More extensive rainfall with volumes between 70 and 100mm were recorded in areas between Bahia, Tocantins, Piauí and Maranhão. The trend is that the instability will decrease, and the rain episodes will become much more isolated over the interior during this week.

VIETNAM

Despite inflation and difficulties in trade, Vietnam's coffee exports recorded strong growth expecting a record US\$4 billion in export value this year. According to the country's Ministry of Agriculture and Rural Development (MARD), coffee exports in the first nine months of 2022 reached nearly US\$3.1 billion, up 37.6 per cent over the same period last year. Export coffee prices rose nearly 22 per cent to an average of about US\$2,280 per tonne, reported Vietnam News agency. European Union (EU) continued to be Vietnam's largest coffee consumption market with a market share of 39 per cent in the first eight months of the year, reaching nearly 490,700 tonnes with a value of US\$1.1 billion, an increase of over 27 per cent in volume and over 54 per cent in value from the same period a year ago.

More than half of Arabica crop in Northern provinces Son La and Lai Chau harvested with shipment of fresh beans already arriving to Hai Phong port for export.

Harvesting of Robusta in Central Highlands is accelerating amid weather conditions remain more rainy than sunny.

As per Plant Protection Department, Vietnam shipped 83,904 tons of coffee during the 1st month of crop year 22/23, dropping 25% from previous month but same YoY.

Coffee stock in bonded and non-bonded warehouses nearby HCMC reduced to 70,300 tons, 19.9% lower from previous month and 57% YoY, Cafecontrol reported.

CENTRAL AMERICA / COLOMBIA

In October, the registered coffee production in **Colombia** fell 12% to 888,000 bags of green coffee from the million bags produced in the same month of 2021. So far this year (January-October), production exceeded 9 million bags, 10% down from the almost 10.1 million bags produced in the same previous period.

Guatemala exports for the month of October fell 45% y/y to 61,392 bags according to preliminary data from their National Coffee Association, Anacafe.

October shipments from **Honduras** slumped to 55,892 bags from 104,776 bags a year earlier, according to preliminary data from the Honduran Coffee Institute.

Costa Rican shipments for the month of October fell to 9,591 bags from 12,309 bag year earlier, the Costa Rican Coffee Institute said.

OTHERS

The Indonesian government trade data from **Sumatra**, the leading coffee producing island within Indonesia, has reported that the islands robusta coffee exports for the month of September were 511,646 bags or 136.02% higher than the same month last year, at a total of 887,810 bags. This contributes to the islands cumulative robusta coffee exports for the first six months of the current April 2022 to March 2023 coffee year to be 877,694 bags or 59.33% higher than the same period in the previous year, at a total of 2,356,921 bags.

DEMAND / INDUSTRY

Nestlé is investing over 50 million francs in its factory in Brazil to facilitate the launch of a new range of coffee machines and pods under its Nescafé Dolce Gusto brand in 2022. Neo comprises a new range of paper-based pods using 70% less packaging than current capsules, according to a past Thursday release. The new paper-based capsules will be entirely produced in Nescafé Dolce Gusto's factory in Montes Claros, Brazil, with plans to expand to additional countries in the future.

Starbucks released financial results / earnings this week, for the fiscal year ahead, executives for the coffee chain on Thursday said they expected global same-store sales to be "near the high end" of its long-term target of between 7% to 9% growth. FactSet expects growth of 8.6%. When an analyst asked what gave management confidence in that target, interim Chief Executive Howard Schultz said that its coffee was an "affordable luxury," and that it was armed with a loyalty program that it didn't have in years past. And they said its customers were getting younger, not older. He said Starbucks had raised prices by nearly 6% over the past 12 months and hadn't seen demand subside. And he said cold coffee beverages made up 76% percent of total drink sales in its U.S. company-owned stores.

ICE US Certified Arabica Stockpiles rose by 6,805 bags net last night, leaving us with 448,704 bags in exchange approved warehouses. 7,697 bags were graded yesterday, of which; 6,805 passed whilst 892 bags failed. Pending gradings jumped again and now stand at 363,104 bags (all in Antwerp).

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,03033	1,03242	1,01633

US consumer prices increased 0.4% for October compared with consensus forecasts of a 0.6% increase with a larger than expected decline in the year-on-year rate to a 9-month low of 7.7% from 8.2% and compared with market expectations of 8.0%. Food prices increased 0.6% on the month for a 10.9% annual increase while energy prices increased 1.8% on the month although with a sharp decline in gas prices.

Following the data, there was a sharp adjustment in Fed Funds futures with markets pricing in just over an 80% chance that the Fed Funds rate would be increased by 50 basis points at the December meeting rather than 75 basis points and peak expectations edged lower. In this environment, the Euro immediately jumped higher to above the 1.0100 level and continued to surge to towards the European close. The dollar remained firmly on the defensive and the Euro continued to post gains with 12-week highs around 1.0220 in early Europe on Friday and the dollar index overall at 2-month lows.

ADDITIONAL COMMENTS

The International Coffee Organization have reported in their last preliminary report that the global coffee exports for the month of September were 3.02% lower than the same month in the previous year, at a total of 9.95 million bags. This they say, has contributed to the cumulative global coffee exports for the October 2021 to September 2022 coffee year to be 0.38% lower than the same period in the previous year, at a total of 129.00 million bags.

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