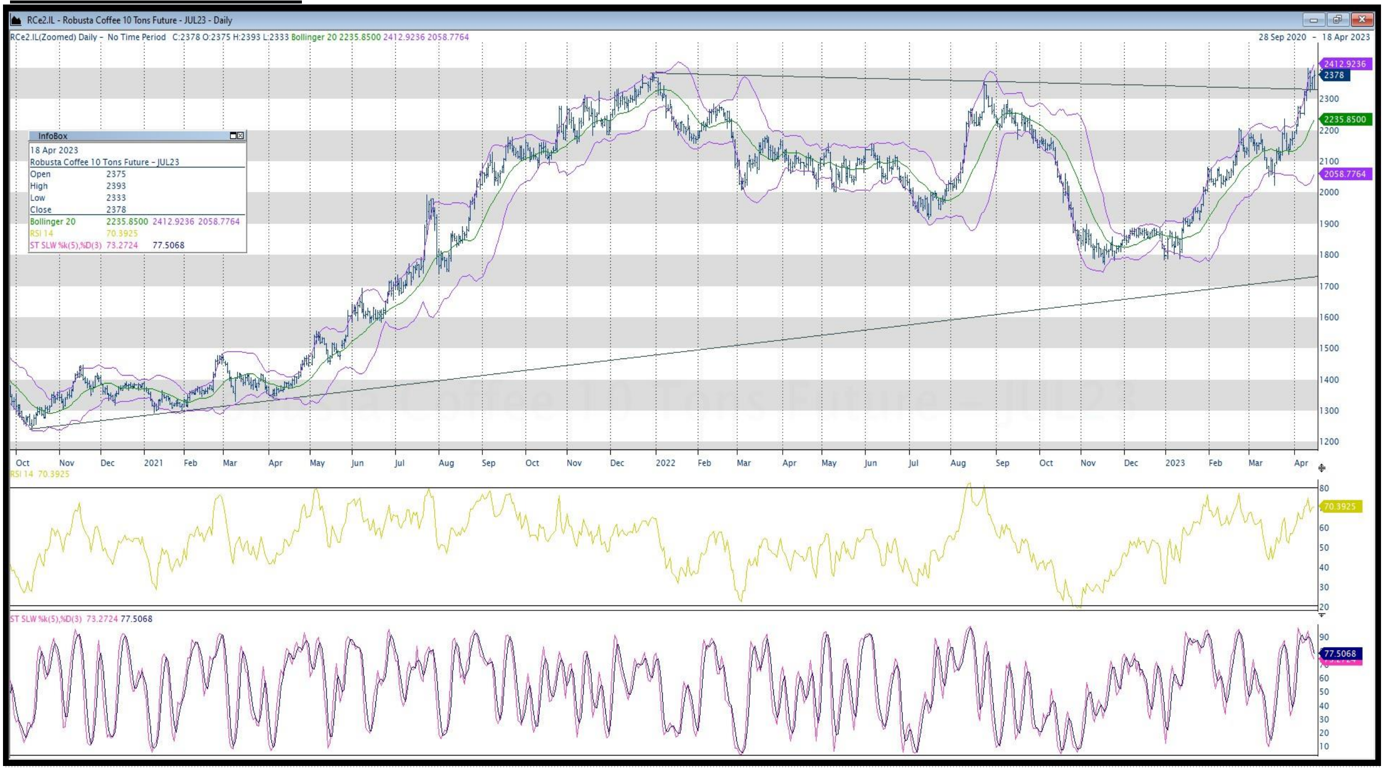
WEEKLY MARKET REPORT

LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
MAY23	2443	3	2460	2390	2440
JUL23	2379	9	2393	2333	2370
SEP23	2349	14	2358	2302	2335
NOV23	2319	18	2321	2270	2301

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
MAY23	205,60	4,60	205,60	198,35	201,00
JUL23	203,05	4,00	203,10	196,10	199,05
SEP23	199,85	3,80	199,95	193,15	196,05
DEC23	196,65	3,45	196,65	190,40	193,20

London ICE:

Supports: 2355, 2285, 2235, 2150 & 2020
Resistances: 2385, 2500 & 2675

New York ICE:

Supports: 198,25, 187,50, 183,50 & 178,00
Resistances: 207,50 & 215,25

NEW YORK ICE MARKET

WEEKLY MARKET REPORT

BRAZIL

Somar - The month of April has been showing a more humid behavior than normal in several areas of the interior of Brazil, including coffee producing areas in the Southeast, especially in Alta Mogiana, in the South and in the Cerrado of Minas Gerais. In these areas, more rain is expected in the next few days, which should impact the initial phase of the coffee harvest.

Harvest is about to start for the 2023/24 Brazilian coffee crop, which is looking healthy and able to deliver good yields, indicating that a market-consensus view of an output around 65-66 million bags is reasonable. The Brazilian 2023/24 coffee crop "will not break any records, but it does look to be a substantial improvement over 2022/23 and a very healthy off-year". Brazil alternates years of higher and lower arabica coffee production. The 2023/24 crop (July-June) should be an off-year in the biennial cycle, but production is seen rising because last year's season, an 'on-year', was hurt by harsh weather such as drought and frosts.

Late maturation, lack of labor and rain can disrupt the rhythm of the Conilon crop in Brazil.

As per Rabobank, despite the decline in March, cumulative rainfall remains above historical average in most of the coffee producing areas. The weather so far has been good in April, which should help the final cherry-filling stage for the arabica type. It is worth noting the lower rainfall in Eastern Minas Gerais since February, which may affect the outturn. For Brazilian Conilon, harvesting has started in some regions, but should only accelerate in the coming weeks. Following a coffee tour in February, Rabobank forecasts the 23/24 crop at 66 million bags. This represents a 4,4% increase in total Production and a 6.4% increase in arabica Production compared to the previous cycle.

Brazil's green coffee shipments in March were 2.78 million bags vs 3.45 million bags a year earlier (-19%), according to exporters group Cecafe. Slowdown in shipments seen as result of low arabica inventories after two consecutive years of bad crops.
Futures are moving up with the appreciation of the Brazilian real against the US dollar, said Marcelo Moreira, an analyst at Archer Consulting. The currency has strengthened end past week, reaching the highest in ten months. This reduces gains for Brazilian exporters and makes producers in the world's top supplier less interested in selling.

Reuters reported that farmers in Brazil are benefiting from a drop in fertilizer import prices this year after sanctions against major producers Russia & Belarus in 2022 sparked fears of a global supply shortage. 'According to analysts, Brazilian growers of staples like coffee and soybeans saw an increase in their purchasing power for inputs like urea and the NPK fertilizer mixture, containing nitrogen, phosphorous and potassium in different proportions'. In the case of Brazil's Arabica coffee, higher international coffee prices and lower nitrogen fertilizer costs mean farmers would now need the equivalent of 1.8 bags of coffee to buy one tonne of urea, the lowest ratio in 8 years.

Published by the Brazilian Association of the Food Industry, a groundbreaking study by ApexBrasil (the Brazilian Agency for Promotion of Exports and Investments) indicates that the elimination of tariffs resulting from the potential implementation of the agreement between Mercosur and the European Union could create opportunities for Brazilian companies. After two decades of lengthy negotiations, this potential agreement would constitute one of the world's largest free trade areas, with a combined population of approximately 720 million inhabitants and a GDP of $19.2 trillion in 2021, representing a quarter of the global GDP.

VIETNAM

Robusta farmgate prices have hit the highest levels in over a decade and are now trading at levels between 50,800 and 51,200 VND/kg.

Given the high exports, tight supply in the local market and low upcountry stocks we maintain our 22/23 crop estimate at 27.5 million bags of Robusta coffee.

Coffee in Central Highlands, depending province to province, underwent different stages of blossom, some regions are on the 2nd and 3rd stages, others already finished when flowers dropped, and fruit formation began.

Despite the 2.03% revaluation of the VND against USD recently, we see little impact on export sector.

The Vietnam Customs Authority have reported that Vietnam's coffee exports for the month of March have registered 5.20% higher from the previous month, at 3,506,200 bags. This number is proving to be lower than the 3.83 million bags that had been initially forecast for the month's coffee exports.

The cumulative export performance for the first six months of the current October 2022 to September 2023 coffee year in Vietnam is reported to be 1,079,716 bags or 7.23% higher than the same period in the previous year, at a total 15,909,400 bags. The General Statistics office of Vietnam have at the same time reported the country's coffee revenue value for the month of March, is reported at 10.90% higher than the same period in the previous year, at a total of approximately 482 million US Dollars.

CENTRAL AMERICA / COLOMBIA

Central America - Lack of labor continues to be a challenge; this can cause delays in agricultural work that must be carried out at the end of the harvest to be prepared for the new season. One of the main difficulties has been the high number of people who migrate to the US in search of a better Quality of life. This directly impacts the availability of the labor force, which is a great concern even for the upcoming years.

Colombia - Coffee output fell in March to 799,000 bags from 914,000 (-13%) in the same period the year before, the coffee grower's federation said in its monthly crop report. March exports fell 19% y/y to 906,000 bags. While there is optimism that Brazilian production will improve, Colombian production remains down at multi-year lows. Even with a rebound in Central American output, coffee supply will remain relatively tight until mid-year.

OTHERS

Ethiopia - In the first eight months of Ethiopian fiscal year 2022/23 (July-Feb) the country exported 2.38 million bags of coffee which represents a drop of 28% in volume compared to the same period last year.

Kenya - A fair amount of rain continues to be received across the country. This is good for the final maturation of the Fly crop to be harvested starting May. The rains also triggered next main crop flowering. Port operations are progressing at a normal pace.

DEMAND / INDUSTRY

The already high coffee consumption in **Germany** has risen to record levels. Overall, an average of just under four cups per coffee drinker are currently consumed per capita and day, as reported by the German Coffee Association – citing commissioned market research. This is due, among other things, to the elimination of corona restrictions in gastronomy last year. In 2021, it was still 3.6 cups and in the pre-pandemic year 2019 about 3.5 cups. Coffee is by far the most popular drink in Germany, ahead of mineral water and beer. The coffee market is showing a shift towards whole beans when it comes to preparation at home. With a market share of around 8 percent, whole beans (plus 44 percent) matched the ground coffee segment for the first time. Pads have a market share of 6 percent, capsules about 5 percent. For 2023, the coffee association expects that for the first time more "whole beans" will be sold than classic, ground roasted coffee.

US GCA Stockpiles were seen at 6,016,272 bags (-88,690 m/m / +3.4% y/y for March).

www.iconacafe.com
iconacafe@iconacafe.com

18/04/2023 18:10

QUOTATION EURO / US DOLLAR

€/US$ rate	last	high	low
EUR/USD Euro/US Dollar	1,09614	1,0983	1,09225

U.S. headline inflation slowed by more than expected in March, but the gauge of core prices closely watched by the Federal Reserve accelerated slightly following a rise in shelter costs. According to data from the Bureau of Labor Statistics on Wednesday, the CPI for the month dipped to 5.0% from 6.0% in February on an annual basis. Economists had projected that the reading would fall to 5.2%. It was the smallest 12-month increase since the period ending in May 2021, yet still higher than the Fed's 2% target.

ADDITIONAL COMMENTS