

LONDON ICE MARKET



LONDRES

Posición	último	dif	alto	bajo	cierre
JUL23	2827	68	2784	2759	2827
SEP23	2643	41	2659	2575	2602
NOV23	2469	28	2482	2415	2441
JAN24	2398	27	2405	2351	2371

NUEVA YORK

Posición	último	dif	alto	bajo	cierre
SEP23	163,10	1,25	165,45	161,05	161,85
DEC23	163,20	1,65	165,00	160,55	161,55
MAR24	164,30	2,05	165,80	161,50	162,25
MAY24	165,40	2,10	166,85	163,10	163,30

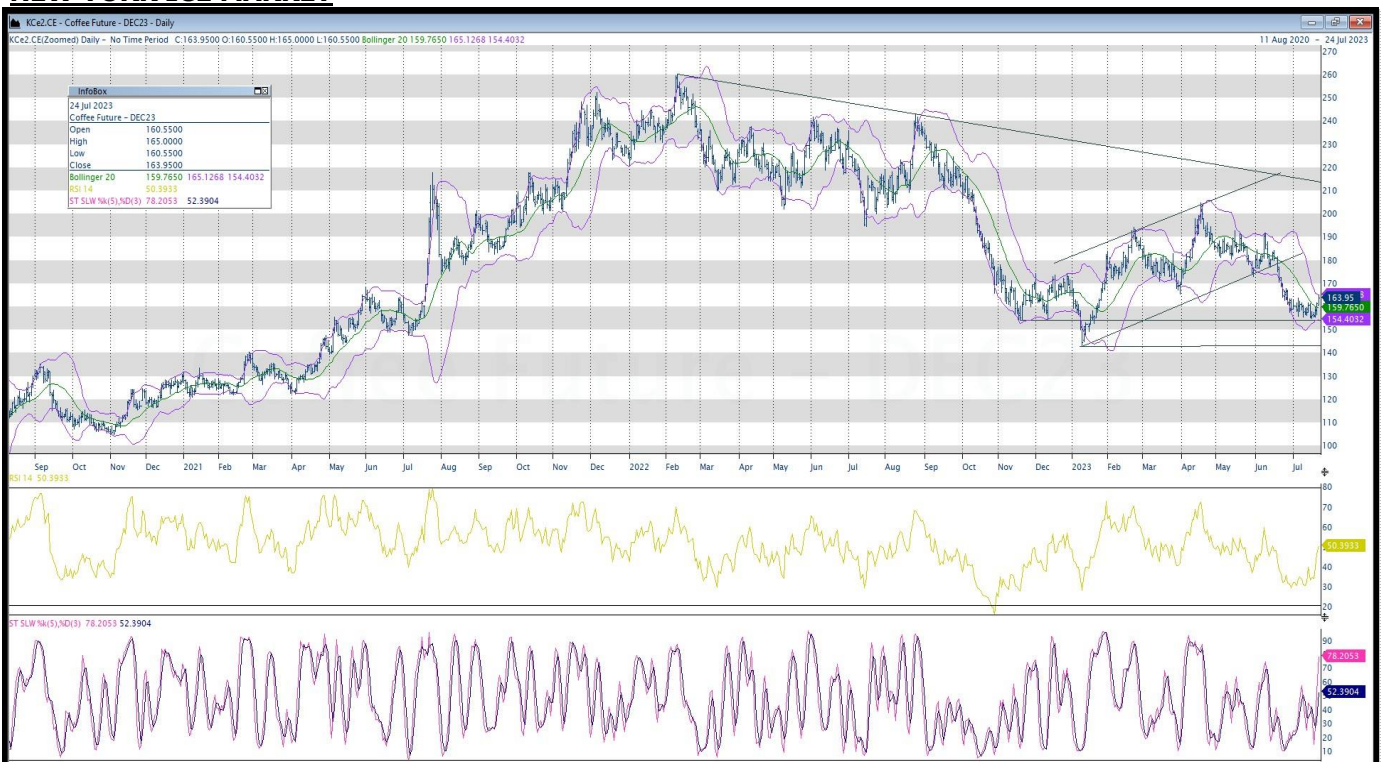
London ICE:

Supports: 2540, 2500, 2475 & 2435
Resistances: 2650, 2675 & 2795

New York ICE:

Supports: 157,75, 150,50 & 147,50
Resistances: 164,50, 168,00 & 178,00

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



BRAZIL

According to Safras' weekly monitoring, growers had reaped 66% of the 2023/24 crop as of July 18th, which corresponds to an increase of 7% over the previous week. This is slightly above the same period last year. The Arabica harvest reached 58% of the expected production. The profile of the arabica crop remains positive in terms of yield, graining, and cup quality, says Safras. The conillon harvest is 83% completed and is heading toward its final stage.

Cooxupé, the world's largest coffee cooperative, said the 2023 harvest in the areas where it operates reached 50.5% of the fields by July 14th – the quickest pace since 2020.

Light showers were along the eastern coast yesterday. Similar conditions expected over the weekend and through next week. Brazil will be under a gradual warming trend over the weekend into early next week. Temperatures will rise back to above normal, so the threat for frost will remain very low. The next cold burst will occur later in the week but will not raise a concern for frost.

Brazilian coffee shipments (arabica and robusta) totaled 35.6 million bags in the 2022/23 season (from July/22 to June/23), for a decrease of 4 million bags compared to the previous, according to data from Cecafe (Coffee Exporters Council). This is the lowest volume exported since the 2017/18 season.

VIETNAM

Vietnam shipped only 31,607 tons of coffee during the first half of July 2023, as per the Customs Authority. This is 54% lower than previous month and 45.8% lower than during the first half of July 2022. Accumulated exports by calendar year 2023, from 1st Jan to 15th July, reached 1,037,866 tons, 3.6% lower than the same period last year.

Weather conditions remain favorable for new crop.

After a year of off-cycle production, higher-than-average fertilizer costs and a dip in planted area, as per the USDA Vietnam is expected to see a 6% increase in total coffee production in market year 2023/24. USDA last report anticipates that exports from Vietnam will see significant drop in 2023/24, despite the increased production. The drop is expected due to lower in-country green coffee stocks following a period of higher prices, as well as stricter EU import regulations taking effect later this year. Overall, production from the world's second-largest coffee-producing country — arabica and robusta combined — is expected to increase to the equivalent of 31.3 million bags, while exports are expected to decline by about 4% to 27.5 million bags due to lower stocks.

CENTRAL AMERICA / COLOMBIA

Colombian production flat in June at 956,000 bags. However, in the last 12 months, it fell 13% from 12.3 million bags to 10.7 million, as a result of climate variables that affected coffee production, which were not favorable for the flowering and fruit filling processes in the country's coffee regions. From July 2022 to June 2023, coffee exports reached 10.5 million bags, down 16% from the volume seen a year earlier.

While green coffees from **El Salvador** continue to fetch remarkably high prices through high-end specialty coffee auctions, climate vulnerability, labor issues, aging farms, price volatility and a lack of a unified sector-wide strategy continue to threaten the country's coffee sector as a whole. USDA estimates that coffee production in El Salvador will reach 670,000 60-kilo bags in market year 2023/24, up from the revised estimate of 650,000 bags for the previous year due to the on-year in the coffee plant production cycle. The report highlights a recent history of labor issues in the Salvadoran coffee sector, driven by historically low prices, lack of investments, an aging farmer workforce, migration, and other forces.

OTHERS

Ethiopia – Annual Export figures were released at the end of last week. Total export volumen was down by 21% year on year at under 4 million bags versus over 5 million bags during 2021/22. Total value of foreign income generated from coffee was down by 8% yoy. Saudi Arabia was the largest destination for Ethiopian coffee representing 20% of exports. Germany took 15% and the USA 9%. In 2021/22 Germany was the largest destination with 20% market share, Saudi at 15% and then Japan and the USA with 11% and 9% respectively.

Ugandan coffee exports climbed an 11 month high for the month of June at 563,832 bags vs 530,365 a year earlier according to the Uganda Coffee Development Authority. The strong shipments were due to a good harvest in the country's southwest and high global prices that encouraged exporters to release stockpiles. Total exports from the start of the season on Oct. 1 through June fell 2.3% y/y to 4.17 million bags. Italy imported 38% of Uganda's coffee in June; Sudan, Germany and India were among other top destinations. Uganda is projected to export 550,000 bags this month as harvesting draws to a close in the Greater Masaka and southwestern regions.

Kenya's coffee export revenue fell by 5.4% in the first quarter of 2023 compared with the prior-year quarter, the country's central bank said Monday. Kenya coffee-export volume fell to 11,285 metric tons in period between January and March, compared with 11,930 tons the same prior year period, the bank said in its quarterly gross domestic product report. Coffee export revenue fell to \$64 million in the first quarter this year compared with \$88 million the same prior-year quarter, the bank said in an earlier quarterly economic review.

DEMAND / INDUSTRY

Starbucks has reached a new milestone with the opening of its 400th store in the Kingdom of Saudi Arabia. Nationalisation, empowerment and increased diversity of women in the workplace are at the heart of Starbucks regional recruitment plan. Through an active recruitment agenda, over half of Starbucks workforce is local talent and female, including its first all-female run Drive Thru in Saudi which opened in June 2022.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,10783	1,1147	1,10659

The Federal Reserve and ECB will both announce their policy decisions this week. There are very strong expectations that the Fed will increase interest rates by a further 25 basis points at this meeting. Markets expect that there will be no further rate hikes beyond this month, but the consensus of Fed forecasts released in June was that there would be another hike beyond July and the US central bank will be wary over adjusting guidance significantly. There will, therefore, be important volatility after the decision, statement and press conference. The ECB is also expected to increase interest rates by 25 basis points with the refi rate at 4.25%.

ADDITIONAL COMMENTS

Starting on Aug. 1, **Fairtrade International, will implement an increased Minimum Price for coffee** with the aim to better meet farmers' current realities. The new minimum increases prices by 19% for Robusta coffee and 29% for Arabica coffee. The new price came after an extensive cost of production study along with a consultation that included outreach to more than 600 producer organizations.

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