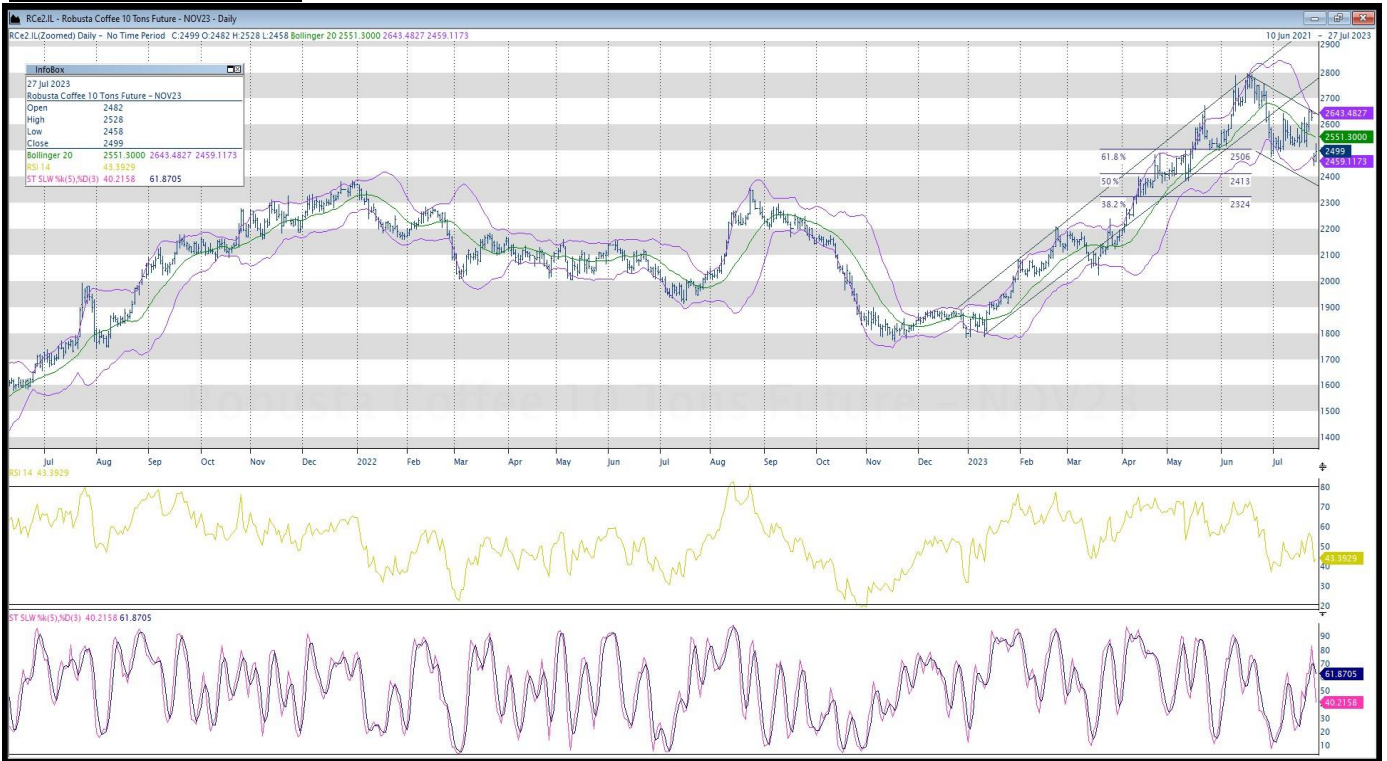


LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
SEP23	2673	34	2706	2627	2673
NOV23	2499	19	2528	2458	2499
JAN24	2418	8	2448	2382	2418
MAR24	2385	2	2414	2355	2385

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
SEP23	161,45	-1,70	164,90	160,05	161,45
DEC23	161,70	-1,50	164,80	160,35	161,70
MAR24	162,95	-1,35	165,85	161,70	162,95
MAY24	163,95	-1,35	166,75	162,70	163,95

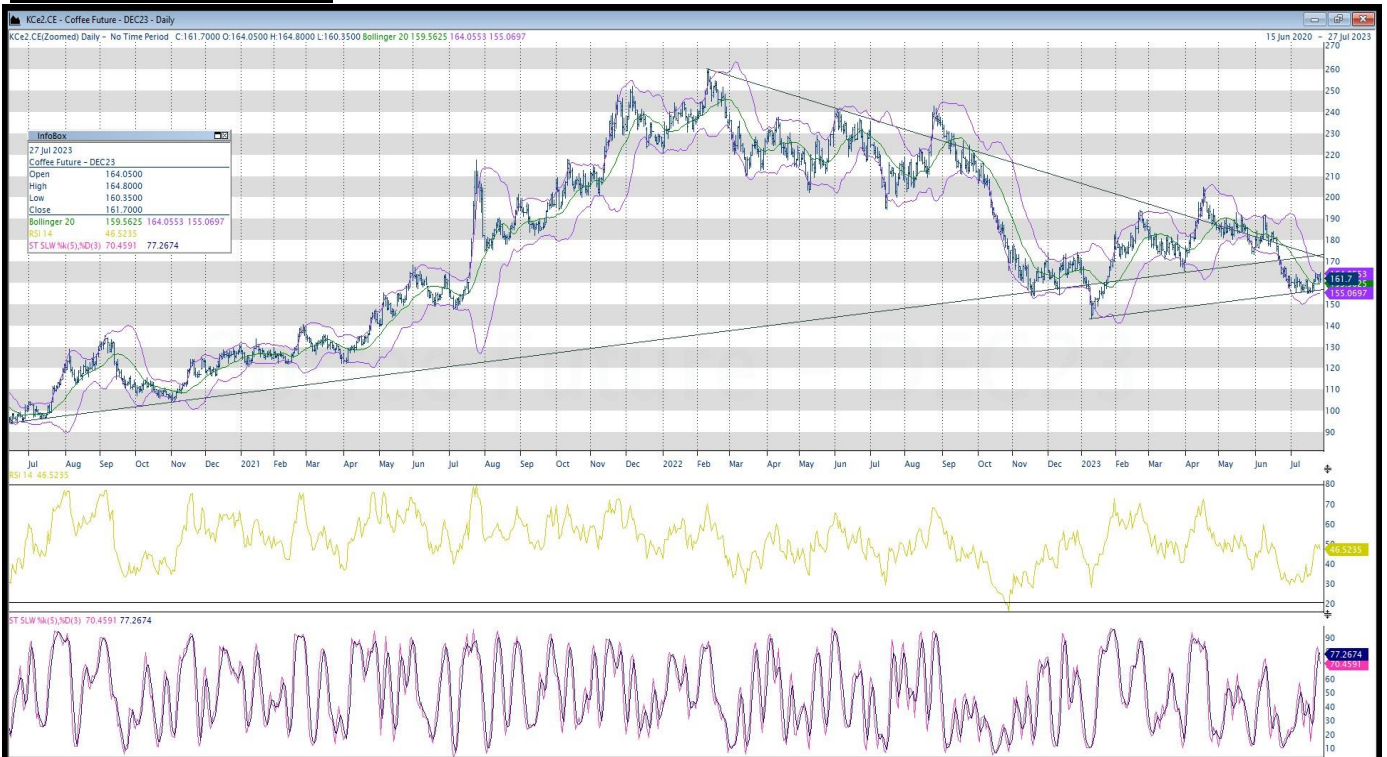
London ICE:

Supports: 2500, 2475 & 2435
Resistances: 2540, 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

Brazil's Cooxupe said on Wednesday that 2023 harvest in the areas where it operates has reached 58.8% of the fields by July 21st. The current harvest stage, up 8.3% from the previous week, compares to 52.6% at this time last year. It is the quickest pace since 2020, when farmers had collected 61.2% of the coffee by this time of the year. Cooxupe has around 18,000 associated coffee farmers in the regions of Sul de Minas, Cerrado Mineiro, Sao Paulo's Mogiana and Matas de Minas.

Anyway, in general, the drier conditions in Brazil may speed up the whole country's coffee harvest and favor bearish prices. Somar Meteorologia reported that Brazil's Minas Gerais region received no rain last week. Minas Gerais accounts for about 30% of Brazil's arabica crop. Arabica coffee prices recovered in Brazil in the last days, boosted by the current high demand. On the other hand, for robusta, quotations remained stable, at around BRL 650.00/bag. Stability is related to both purchasers' high needs for this variety – majorly from domestic coffee roasters – and low supply.

The Brazilian Real is comparatively firm and steady against the US Dollar over the past week.

One might anticipate that this year, the local dynamics between the now much tighter arbitrage between arabica and robusta markets in comparison to the same time last year, which averaged around 123.66 usc/Lb or 58%, may see price sensitive and relatively flexible roasters in the Brazil domestic industry oscillate between lower grade and priced arabica coffees versus Conilon robusta alternatives.

VIETNAM

Vietnamese weather conditions look supportive for the 23/24 crop development, only in DakLak area a very small deficit of rains is recorded which isn't a concern for the time being.

CENTRAL AMERICA / COLOMBIA

The export season for **Mexico and Central America** is drawing to a close, with two months left of the current October 2022 to September 2023 coffee year. This washed arabica producers block has recorded increases in year-on-year comparative monthly export figures to consumer markets, in comparison to the same time last year where availability from these countries had tightened considerably relatively early in the twelve-month export cycle, through a combination of factors to include lower overall production during the 2021/22 export year as well as pandemic related shipment congestion experienced throughout the time.

Within the largest producer country of this quality washed arabica producer sector, **Honduras**, the forecast is that the new crop to come from this washed arabica producer for the forthcoming October 2023 to September 2024 coffee year, is at an anticipated 2% increase on that of the current 2022/23 coffee production year. The new arabica crop which is due to start harvest toward the end of the year, is forecast to come in at 5.50 million bags, from 5.40 million bags in 2022/23 crop year, according to the latest forecast published by U.S. Department of Agriculture.

In **Mexico**, independent forecasters estimate ahead of season that this producer will reach 3.40 million bags, or marginally lower than the current coffee year. The quality washed arabica coffee producer Guatemala is foreseen to be on par with their production in the current coffee year, and the forecast for the coming October 2023 to September 2024 coffee year to reach a total of 3.47 million bags. Other, neighboring Central American washed arabica quality coffee producers, **Nicaragua** forecast to reach 2.58 million bags production, **Costa Rica**, estimated to reach 1.45 million bags, along with the approximate mostly steady 650,000 bags estimated to come from **El Salvador**.

The largest individual washed arabica coffee producer country, **Colombia**, ahead of harvest was forecast to potentially produce 11.50 million bags for the October 2022 to September 2023 coffee year. However, this figure has been revised slightly lower to now forecast 11.30 million. The lower production performance is reflecting the inclement and excessively wet weather endured across the coffee growing areas through an extended eighteen month La Niña weather phenomenon. Looking ahead to the forthcoming October 2023 to September 2024 coffee year, it has been forecasted that there will be an anticipated marginal 7.08% increase on that of the previous coffee production year, at a total of 12.10 million bags. The weather forecast models are predicting the opposite weather phenomenon to possibly come to the fore toward the latter end of the calendar year, and the arrival and extent of an El Niño weather pattern will continue to be closely monitored as the year progresses, with the Mitaca harvest underway, and main crop development progressing toward harvest to start in October this year.

The **Peruvian** new crop washed arabica coffee year which spans from April 2023 to March 2024, was ahead of harvest forecast by the USDA to be potentially 15.50% larger than the previous crop and estimated to potentially reach 4.20 million bags. While internally, and as is a similar pattern in Central America, domestic consumption is seen to be on the low side. In Peru local consumption is forecast at a relatively modest 230,000 bags.

This is the start of the **hurricane season for the Gulf of Mexico** and one can anticipate storms to form over the next four months, with spells of heavy rainfall during the start of the October 2023 to September 2024 new crop harvest season for Central America and Mexico coffee producers. These storms are however, not usually damaging for the crop potential within these countries.

OTHERS

Uganda - Studies on fields in the central region of Mubende showed an average 31.2% and 12.6% infestation rate of coffee berry clusters and berries respectively, Entebbe-based National Agricultural Research Organization says in its agricultural science journal. Pest directly attacks berries, affecting both yields and quality of the beans. Robusta accounts for at least 80% of Uganda's annual coffee production. USDA's Foreign Agricultural Service projects Uganda's output in 12 months through September at 6.57m bags.

Tanzania - Focus is new crop. Harvest is progressing well across the country. In Mbeya, it is at its peak and in Mbinga it just started. In the North, the low-lying areas are in full harvest. Areas at high elevations have just started to harvest. Arabica crop estimate is at 36,000 mt for crop 2023/2024. Auctions will commence in August. The dry weather conditions are supporting cherry picking and parchment drying. Port operations are progressing at a normal pace.

ARJUN REPORT

WEEKLY

DEMAND / INDUSTRY

Chocolate and coffee makers including Italy's Lavazza and Cadbury-maker Mondelez **are concerned about the "practicalities" of a new European Union law aimed at stopping deforestation.** Agreed in December, the law is expected to come into force at the end of 2024. Importers of coffee, cocoa, beef, soy, rubber and palm oil must prove their supply chains aren't contributing to the destruction of forests, a cause of climate change, or be fined up to 4% of their turnover in the bloc. "It will be very difficult to implement this law in practical terms, because the coffee supply chain is very complex and traceability is very difficult," Lavazza Group Chairman Giuseppe Lavazza told Reuters. "We are talking to the European authorities through our association to try to find a way." The EU says it introduced its landmark deforestation law because years of voluntary commitments by food companies to rid their supply chains of environmental harms had largely failed to have an impact on the ground.

Americans are aware of the rising cost of coffee and are concerned about inflation, but consumption has not faltered, according to National Coffee Association research. "Inflation is on everyone's mind," said Samantha Evans, senior research manager at Dig Insights, during a webinar on the study. "It's impacting everything everywhere, and seemingly all at once, including how Americans drink and purchase coffee." The study, which queried more than 1,500 respondents earlier this year, found consumers are conscious of the higher price of a cup of coffee.

JDE Peet's to acquire Maratá's coffee & tea business in Brazil. Maratá's coffee & tea business is predominantly present in the northern part of Brazil through its longstanding and well-known brands Café Maratá and Chá Maratá. Upon completion, the acquisition will complement JDE Peet's' existing portfolio of brands predominantly sold in the southern regions of Brazil.

Nestlé reported Wednesday results for the 1st half of 2023 showing better-than-expected organic sales with a rose of 8.7%, beating average estimate 8.1% growth. Total reported sales increased by 1.6% to CHF 46.3 billion. Coffee saw high single-digit growth, with positive sales developments across brands and a continued recovery for out-of-home channels. Reported sales in Nespresso decreased by 1.9% to CHF 3.1 billion.

ICE-certified Arabica stocks fell on past Friday to an 8-month low of 535,870 bags, of which 341,957 originating from Honduras and 151,464 from Brazil, mostly stored in the Belgian port of Antwerp. **ICE-monitored Robusta coffee inventories fell as well** to a record low of 5,273 lots, or 878,833 bags.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,09606	1,09914	1,09489

The ECB increased interest rates by 25 basis points at the latest meeting which was in line with consensus forecasts and took the refi rate to 4.25%. According to the bank, developments support expectations that inflation will drop further over the remainder of the year but will stay above target for an extended period. It added, that the past rate increases continue to be transmitted forcefully and financial conditions have tightened again which is important in bringing inflation back to target.

Bank President Lagarde stated that inflation is to remain too high for too long. She added that the near-term outlook for the Euro-Zone has deteriorated, primarily due to weaker domestic demand and commented that the outlook for growth and inflation remain highly uncertain. Nevertheless, she also noted that domestic price pressures including from wages and profit margins are becoming an increasing source of inflation.

As far as the September decision is concerned, Lagarde stated that the bank is open minded as it might or might not raise rates further.

The overall stance was seen as relatively dovish and there was a scaling back of market expectations surrounding a potential September hike with the Euro sliding to below 1.1050 from 1.1150 highs.

ADDITIONAL COMMENTS

The USDA Foreign Agricultural Service forecasted in its June biannual report that world coffee production in 2023/24 will increase +2.5% y/y to 174.3 million bags, with a +6.9% increase in arabica production to 96.3 million bags, and a -2.4% decline in robusta production to 78.0 million bags. USDA FAS forecasts that 2023/24 Brazilian coffee production will rise by +14.5% to 67.9 million bags, while Vietnam's 2023/24 production will fall -3.5% to 30.2 million bags.

Illustrating a tight coffee supply picture in 2022/23, **the International Coffee Organization (ICO)** said the global 2022/23 coffee market deficit widened to -7.3 mln bags from a -7.1 mln bag deficit in 2021/22. ICO reported that 2022/23 global coffee production increased +1.7% y/y to 171.27 mln bags, but that 2022/23 global coffee consumption increased +1.7% y/y to a larger 178.53 mln bags.



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