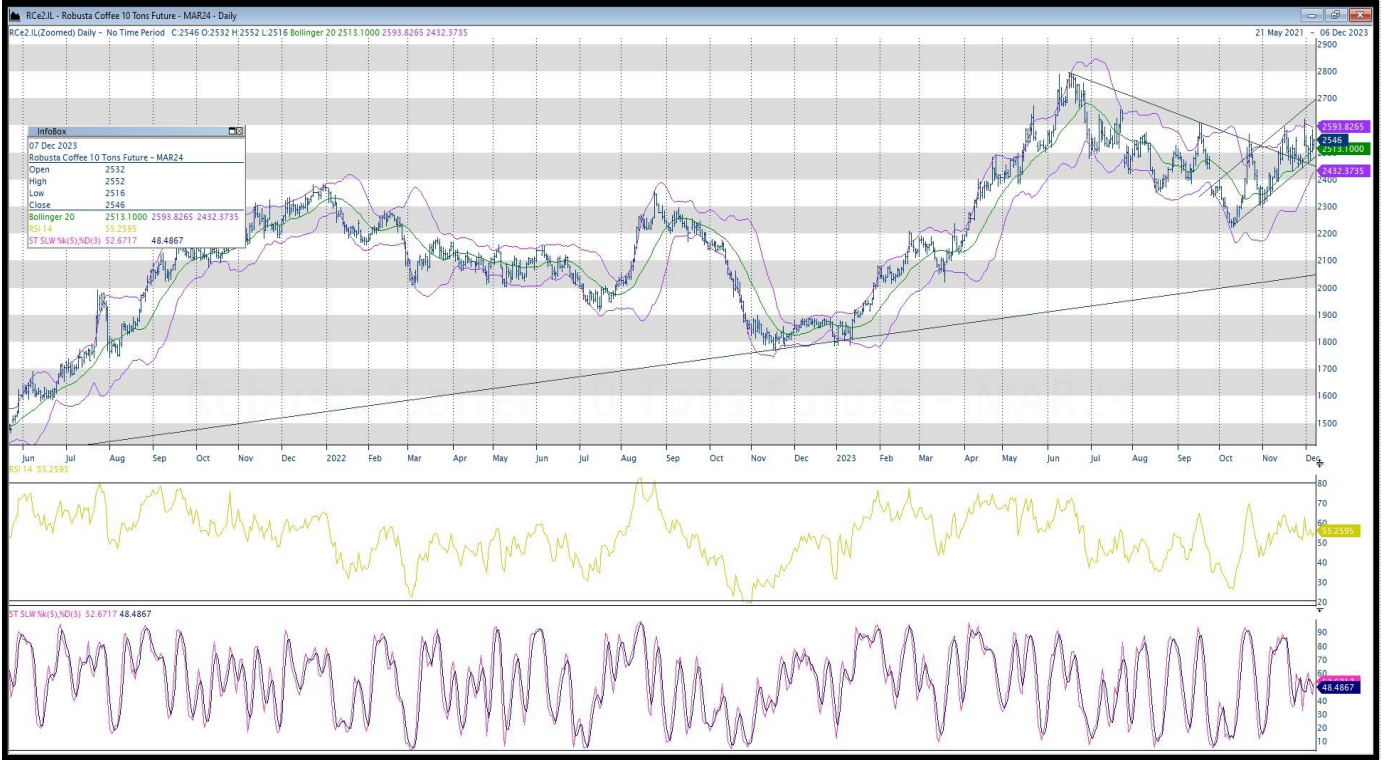


LONDON ICE MARKET



LONDRES						
Posición	último	dif	alto	bajo	cierre	
JAN24	2608	44	2615	2572	2564	
MAR24	2552	40	2552	2516	2512	
MAY24	2506	32	2510	2478	2474	
JUL24	2475	37	2475	2448	2438	

NUEVA YORK						
Posición	último	dif	alto	bajo	cierre	
DEC23	185,25	-8,60	192,45	185,85	185,25	
MAR24	177,05	1,80	177,80	175,75	175,25	
MAY24	175,05	1,50	175,80	173,95	173,55	
JUL24	175,70	1,50	176,35	174,55	174,20	

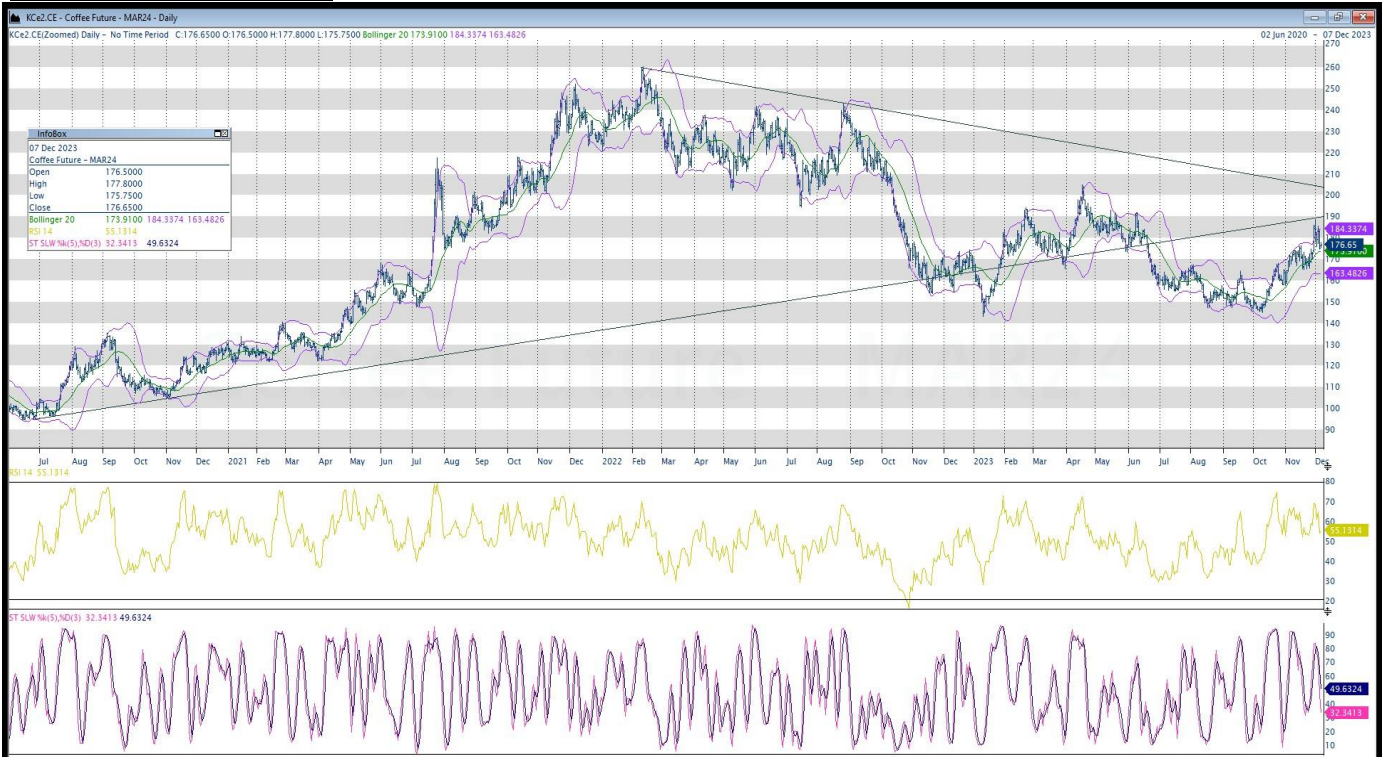
London ICE:

Supports: 2515, 2495, 2465 & 2375
Resistances: 2550 & 2595

New York ICE:

Supports: 174,00, 171,50 & 165,00
Resistances: 176,75, 181,25 & 188,75

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



BRAZIL

The soil moisture in Arabica producing areas was supportive and helped ensuring that the very high temperatures observed mid to late November would not have a significant negative impact upon production prospects. Conilon areas of Espirito Santo, through the influence of El Niño, have not seen as much rainfall. Subsequently, soil moisture is now well below average for the time of year in this region.

The USDA's Foreign Agriculture Service (FAS) projected that Brazil's 2023/24 arabica production would climb +12.8% y/y to 44.9 million bags due to higher yields and increased planted acreage.

Coffee production in the world's top exporter is expected to be stable in the upcoming season as extreme heat has dashed hopes for a previously optimistic outlook, analysts from Itau BBA's Consultoria Agro say during event in Sao Paulo. High temperatures seen in November caused early fruits to drop from coffee trees, manager Cesar Castro Alves says. "We no longer expect a crop as good as the record 2020/2021 volumes."

VIETNAM

Harvesting in Central Highlands accelerating thanks to improved weather conditions.

Farmgate prices increased to a new high this crop at 61.000 vnd/kg today (~ FOB HCM G2 bulk 2600 \$/mt) but selling flow is muted.

Vietnam exporters aiming to buy big volumes at cheap diff but completely failed. Potential defaulting through Vietnam coffee supply chain even in the beginning of the crop - is now a severe concern among Vietnam coffee traders if buyers keep scrambling for coffee.

Stock in bonded and non-bonded warehouse nearby Ho Chi Minh city dropped to 68,920 tons, 35.4% lower year on year, Cafe Control reported. The General Statistics Office of Vietnam estimates that coffee exports in November reached about 80,000 tons, down 37.93% over the same period last year, bringing exports in the first 11 months of the year to 1.34 million tons.

The deputy chairman of the Vietnam Coffee Cocoa Association said at a conference in HCMC that Vietnam is likely to produce 1.6 million to 1.7 million tons of beans from the current harvest, down from 1.78 million tons a year earlier. Stockpiles from the last crop were almost depleted, he said. Farming areas in Vietnam are shrinking, especially in the major provinces of Dak Lak and Dak Nong, while yields are also dropping in some areas. Total coffee acreage in the country is probably about 600,000 hectares, Mr. Nam said, compared with the last estimate from the agriculture ministry of 700,000 hectares, as farmers cut down coffee trees for more profitable crops such as durians and avocados. Vietnam's exports may fall 15% in the 2023-24 season from 1.66 million tons a year earlier, Nguyen Nam Hai, chairman of the association, said at the same conference, adding harvesting had been 50% completed by the end of November. Local prices are up more than 40% from a year earlier.

At the Vietnamese Coffee Conference Bloomberg reported on the ICO's executive director Vanusia Nogueira's comments on the incoming deforestation rules. "The European Union is facing the prospect of a coffee shortage in 2025 as the market grapples with a lack of clarity around the implementation of deforestation regulations, according to the International Coffee Organization." The "EU may not get enough coffee" in 2025 if answers on the implementation of rules aren't properly provided, Nogueira said on the sidelines of a conference in Ho Chi Minh City, Vietnam. "The new deforestation regulations are our biggest priority and a

CENTRAL AMERICA / COLOMBIA

Honduran exports rose 63% y/y to 110,413 bags in November.

The USDA forecasts that 2023/24 coffee production in **Colombia**, the world's second largest arabica producer, will climb +7.5% y/y to 11.5 million bags.

The National Coffee Institute of **Costa Rica** (ICAFFE) have reported that the country's coffee exports for the month of November were 36.91% higher than the same month last year, at a total of 17,723 bags. This they say has contributed to the cumulative coffee exports for the first two months of the current October 2023 to September 2024 coffee year to be 69% higher than the same period in the previous year, at a total of 36,622 bags. The National Coffee Institute of Costa Rica (ICAFFE) have estimated production for the 23/24 coffee year will total 1.47 million bags or 0.2% lower than the previous coffee year.

OTHERS

Uganda, the leading robusta coffee producer in Africa and fourth largest robusta exporter to non-producing consumer markets, has experienced significantly above average rainfall for the time of year. This has led to a delayed start to their October 2023 to September 2024 coffee crop year, with limited coffee flow from producing areas to Kampala. The median estimate for robusta production from Uganda is estimated at 5.50 million bags or 12.25% larger than the previous year.

The USDA have reported that Africa's largest coffee producer **Ethiopia** will potentially produce 8.35 million bags for the current October 2023 to September 2024 coffee year, this figure 80,000 bags or 0.97% larger than the previous crop. Based on this crop and with the country having a vibrant domestic consumption that the USDA estimates to be approximately 3.50 million bags per annum, it is forecasted that the Ethiopian coffee exports for the current October 2023 to September 2024 coffee year shall be approximately 4.82 million bags or on par with the previous year. Weather conditions within Ethiopia have been reported to have improved in the growing areas which will allay concerns over the impact of unseasonal rains on quality. The business environment within the country remains challenging, with complexities surrounding the reported severe shortage of foreign currency and logistical contributory factors within the country.

Coffee bean production in **Indonesia**, the fourth-biggest grower globally, is seen declining to 700,000 tons in 2024 from 750,000 tons estimated for this year because of hot weather and drought conditions, according to Pranoto Soenarto, deputy head of the Association of Indonesian Coffee Exporters and Industries. Output was 790,000 tons in 2022, with robusta representing 71%. Robusta production keeps falling while arabica production is rising, Total coffee area estimated at 1.1 million hectares. 2023 exports are falling because of decreasing production, higher domestic prices & tariff barriers for instant coffee. Domestic consumption was around 360,000 tons a year in 2022 and 2023 and is growing thanks to a fast-growing number of young coffee drinkers.

DEMAND / INDUSTRY

India and China are key coffee markets for **Nestle SA**, with the food giant bullish on the outlook for consumption growth in the world's most populous countries, according to the global head of strategy. Nestle's presence in Asia includes instant coffee operations in Vietnam, which is the world's biggest producer of robusta beans. Nestlé reported as well that the Philippines and Thailand are key markets for the Swiss maker of Nespresso and Nescafe, including for soluble and ready-to-drink products. The Company added that Pakistan and Africa are other regions for consumption growth.

Food inflation is still increasing overall, but **J.M. Smucker** is lowering prices on its coffee sold in grocery stores. Smucker, which owns coffee brands including Folgers and Café Bustelo, said it reduced prices on its coffee in the latest quarter, passing through the company's lower coffee costs to consumers and narrowing price gaps with competitors. Cheaper coffee is an anomaly, as U.S. supermarket prices were up still 2.1% in October from a year prior, the Labor Department said last month. Additionally, J.M. Smucker reports second quarter profit above expectations, but coffee sales are 3% down to \$685.7 million. The company's quarterly gross profit margin rose to 37.4% from 31.8% a year ago.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,07691	1,07846	1,07553

EUR/USD records a modest recovery from the multi-week low reached this Thursday. Expectations of a Fed rate cut and the strong rebound in demand for the Yen caused profit taking in the Dollar. A softer risk tone should halt USD losses and cap the pair amid dovish ECB rhetoric.

ADDITIONAL COMMENTS

The global coffee market should shift into surplus in the 2023/24 season, driven by rising production, the **International Coffee Organization** said in a biannual report on Tuesday. Anyway, the ICO projected that would be a small surplus of 1 million bags only, but good compared with a deficit of 4.9 million bags in the previous season. Coffee production was seen rising 5.8% to 178 million bags, with arabica up 8.7% at 102.2 million bags and robusta rising by 2.2% to 75.8 million bags. Global coffee consumption in 2023/24 was forecast to rise by 2.2% to 177 million bags, based partly on the assumption that the global economy will continue to achieve more than 3% growth.

The anticipated regulation that has been implemented by the **Intercontinental Exchange**, prohibiting the practice of re-submission and grading of arabica coffees that had previously been certified for delivery and subsequently decertified, came into force on Friday 1st December 2023. This regulation is intended to stop older coffees being retrieved from the exchange, represented for grading and re-entering the exchange as fresh stocks, without age penalties or price reductions that the exchange applies for coffees that have been stored in the exchange warehouses for years.

Coffee graders working for the Intercontinental Exchange (ICE) rejected 41% of the arabica coffee lots sent to the exchange's warehouses to be certified for delivery against futures contracts in a new grading round, ICE said on Tuesday. Graders evaluated 11,051 bags of a total volume of 27,834 bags that was pending grading, passing 6,475 bags while rejecting 4,576 bags. The rejection rate is high, considering past rounds. It could indicate that a large part of the lots presented to the exchange was coffee that had been previously certified and then de-certified, with traders seeking fresh certification to escape aging penalties.

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