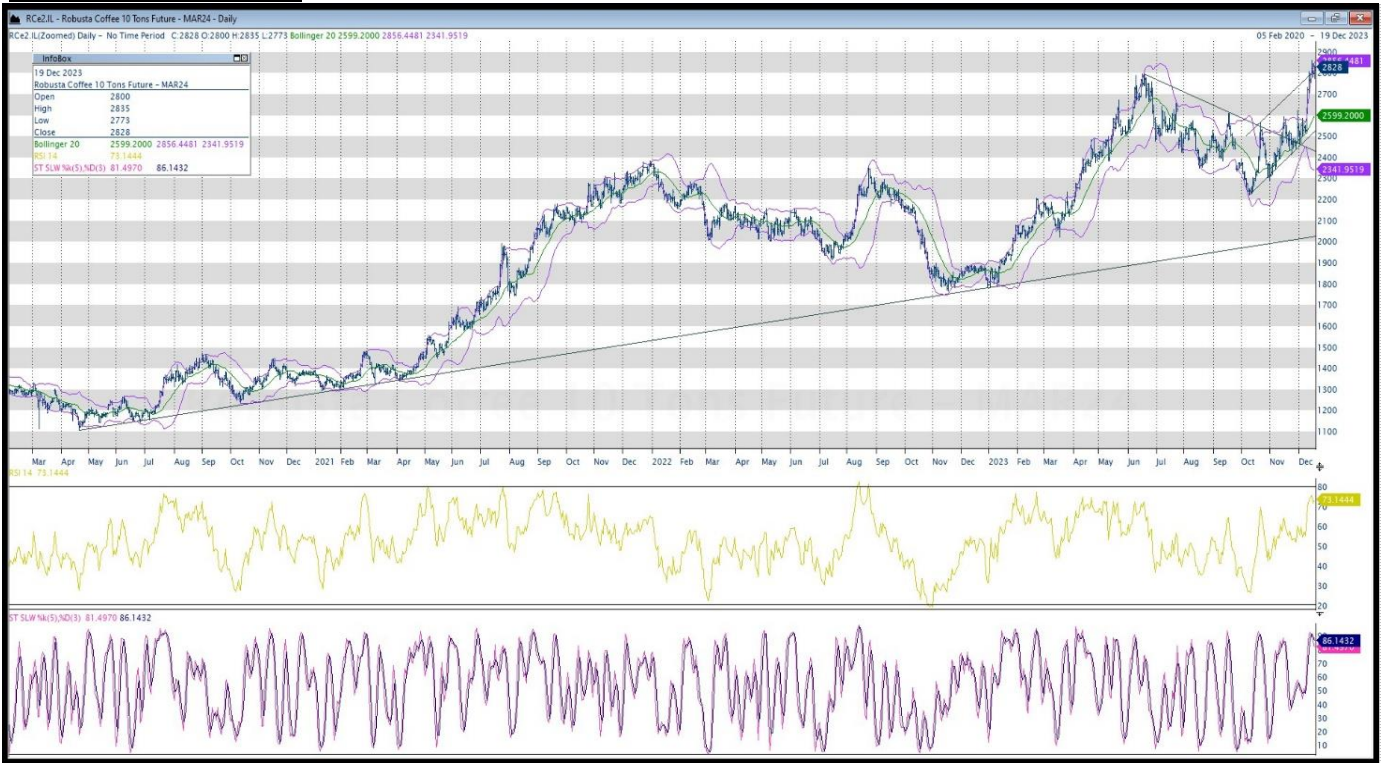


LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
JAN24	2937	-23	2969	2937	2960
MAR24	2907	-25	2935	2899	2932
MAY24	2826	-34	2857	2825	2860
JUL24	2763	-32	2789	2763	2795

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
MAR24	199,80	-2,60	201,45	199,25	202,40
MAY24	196,80	-2,80	198,20	196,10	199,60
JUL24	196,85	-2,55	197,95	195,90	199,40
SEP24	197,10	-2,90	198,50	196,45	200,00

London ICE:

Supports: 2890-2900, 2825, 2795 & 2750
Resistances: 2975, 3030 & 3075-3100

New York ICE:

Supports: 196,50, 186,00 & 175,50
Resistances: 201,00, 207,50 & 220,00

NEW YORK ICE MARKET



WEEKLY MARKET REPORT



BRAZIL

The 2024 harvest of Conilon coffee from Espírito Santo has an estimated drop in production of between 15% and 25% due to adverse weather conditions, Cooabriel, the largest cooperative of coffee growers of this variety in the country, said in a statement this Friday. Adverse weather conditions have caused impacts in the coffee-growing regions of Espírito Santo, especially in the conilon coffee producing areas, the cooperative highlighted. "The high temperatures recorded, the below-average rainfall and the consequent decrease in water reserves are the factors that cause greater alert."

As per SOMAR - From December 29th onwards, the rains began to spread and intensify again over the Northern half of Brazil. The largest volumes of water are expected between the interior of the southeast and central west, including over producing areas of Espírito Santo and Cerrado Mineiro. But the rains should also advance with moderate to heavy intensity towards producing areas of Matopiba, reaching producing areas of Bahia. Meanwhile, at the turn of the year, the rains should reduce over the South of the country. As for temperatures, this week will still be very hot in the central area of Brazil, because despite the increase in rain showers, the episodes will be isolated and quick. Some locations can still reach 40°C, but the heat will decrease during the second half of the week.

Government crop forecasting agency Conab said in its fourth estimate for the season that coffee production is seen at 55.1m bags, compared with 54.4m bags estimated in September and 50.9m bags produced last year. Arabica coffee output seen at 38.9m bags versus 38.2m bags estimated in September. Growth in Arabica production is due to the 2.3% increase in the area under production, combined with the estimated gain of 16.2% in productivity, caused by more favorable weather conditions compared to the last two harvests. Robusta harvest expected at 16.2m bags same volume from previous estimate.

Cecafe reported another robust month for shipments out of Brazil, particularly boosted by conilons with a massive increase in volume. The total number of coffee bags shipped surpassed once again 4 million, reflecting a 15% increase over the same period last year.

The Brazilian Real traded between 4.87 and 4.96 against the USD. The Monetary Policy Committee (COPOM) has implemented a 0.5 percentage point reduction in the Selic, the country's basic interest rate, decreasing it from 12.25% to 11.75%.

VIETNAM

Trading activities in the coffee market remained lackluster in Vietnam on depleted supplies as farmers refrained from selling in the hope of higher prices. Anyway, farmers may release beans in bulk from late December to cash in for the upcoming Lunar New Year.

Vietnam's coffee exports in the first 11 months of 2023 were 1.4 million metric tons, down 10.4% from a year earlier, official data showed. Coffee export revenue for the period reached \$4.33 billion, up 0.4% against January-November of 2022.

Bloomberg published an Op Ed style piece about the effect of climate change on coffee which featured a heavy focus on Vietnam. The headline quote will be that "Estimates show that 30 years from now, basically 50% of coffee lands as we know them today will not be viable for coffee production anymore" if climate change isn't tackled, Philipp Navratil, global head of Nestle's coffee strategic business unit, said during an interview on a tour of some of the Vietnamese farms that supply the coffee giant.

CENTRAL AMERICA / COLOMBIA

Coffee firm CISA Exportadora from Mercon Group has abruptly halted its operations in **Nicaragua**, a move that has raised concerns among coffee growers who heavily rely on the company's support, the independent Havana Times outlet reported. According to sources within the Nicaraguan coffee sector, CISA Exportadora, which owns two coffee processing plants, informed producers over the weekend that they should refrain from delivering their coffee to collection centers, as they were shutting down operations.

OTHERS

Importers of coffee to the European Union are starting to scale back purchases from small farmers in **Africa** and beyond as they prepare for a landmark EU law that will ban the sale of goods linked to the destruction of forests, a cause of climate change. Industry sources said the cost and difficulty of complying with the EU Deforestation Regulation (EUDR), which comes into force late in 2024, meant it was already having unintended impacts that could in time reshape global commodities markets.

Ethiopia - Export figures were released this week for the 5 months running from July to December of this year. Year on year, the total value of exports for this period was down 14% at \$517,441,640.92.

DEMAND / INDUSTRY

Cert stocks were unchanged to 242,399 bags. Pending grading added 4,010 bags to 30,890 bags.

QUOTATION EURO / US DOLLAR

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,0957	1,09843	1,09509

BofA Global Research said on Monday that it expects the U.S. Federal Reserve to deliver four 25-basis point (bps) rate cuts next year, starting in March. The brokerage raised its quantum of cuts for next year to 100 bps from 75 bps, with the central bank expected to lower rates in March, June, September, and December. It also raised the country's economic growth forecast on a quarterly average basis by 0.6 percentage points to 1.2% for next year, driven by stronger consumer spending.

ADDITIONAL COMMENTS

Attacks by Yemen's Iran-aligned Houthi militants on ships in the Red Sea are disrupting maritime trade and prompting U.S. efforts to build a coalition to deal with the threat, as freight firms reroute around the Cape of Good Hope to avoid the Suez Canal. The Houthi group said it launched a drone attack on two cargo vessels in the area on Monday, the latest in a series of missile and drone strikes on shipping which it says are a response to Israel's assault on the Gaza Strip. About 15% of world shipping traffic transits via the Suez Canal, the shortest shipping route between Europe and Asia. Several major freight firms -- including MSC -- have begun to sail around Africa instead, adding costs and delays which are expected to be compounded over coming weeks, according to industry analysts. London's marine insurance market widened the area in the Red Sea it deemed high risk on Monday, adding to premiums ships pay.

The U.S. Climate Prediction Center on June 8 declared an El Nino weather event, which is likely to be supportive of coffee prices. An El Nino pattern typically brings heavy rains to Brazil and drought to India, negatively impacting coffee crop production. The El Nino event may bring drought to Vietnam's coffee areas late this year and in early 2024, according to an official from Vietnam's Institute of Meteorology, Hydrology, and Climate Change.

COT (CIT) Non-commercials increased by 768 lots their net long position to 17,268 lots. Commercials increased the net short position by 1,461 lots to 79,443 net short.

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