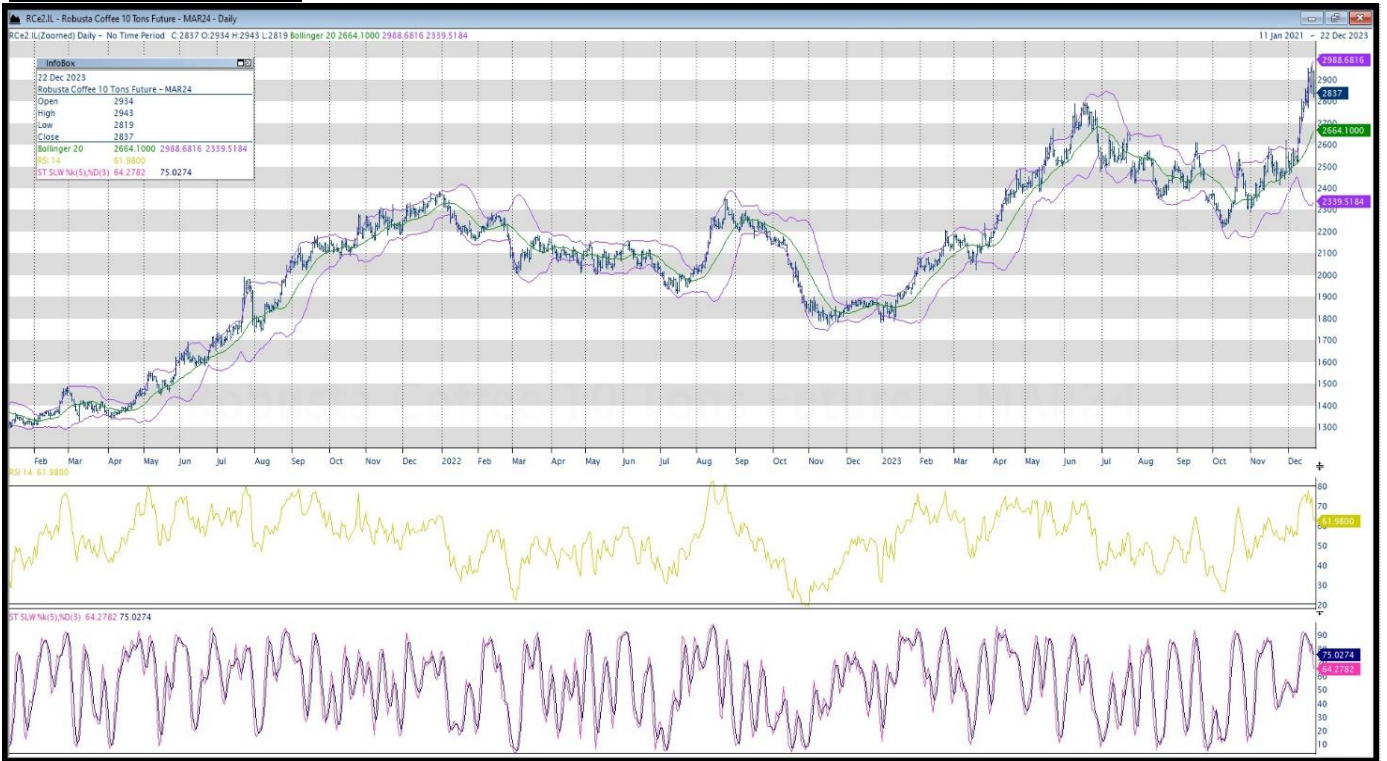


**LONDON ICE MARKET**



LONDRES					
Posición	último	dif	alto	bajo	cierre
JAN24	3078	-101	3165	3050	3075
MAR24	2834	-130	2943	2819	2837
MAY24	2764	-106	2852	2755	2766
JUL24	2705	-86	2771	2690	2704

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
MAR24	193,75	0,95	194,45	192,00	192,80
MAY24	191,00	0,75	191,70	189,30	190,25
JUL24	190,95	0,75	191,55	189,40	190,20
SEP24	191,15	0,35	192,10	190,10	190,80

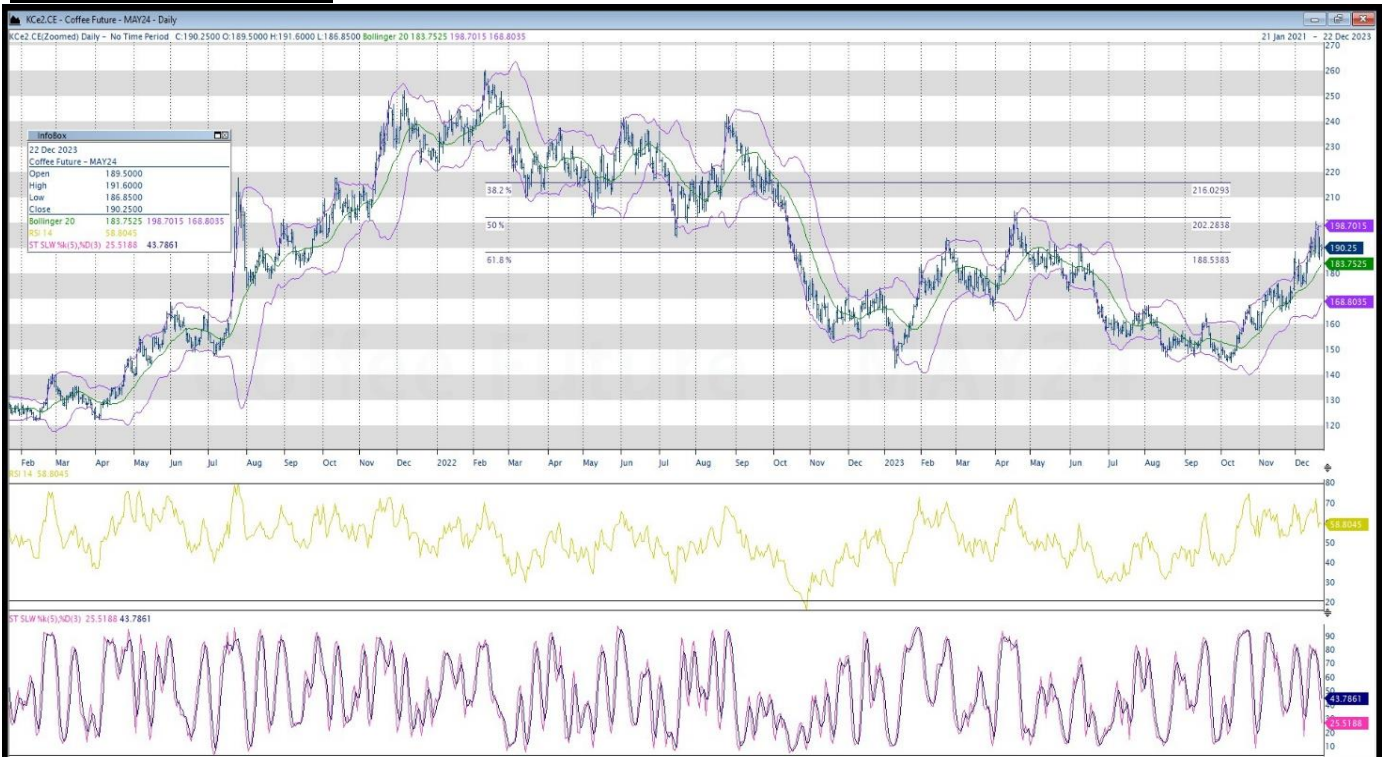
**London ICE:**

Supports: 2840, 2815 & 2775  
Resistances: 2890, 3040 & 3075-3100

**New York ICE:**

Supports: 186,00, 179,00, 175,00 & 165,50  
Resistances: 195,00, 197,50 & 207,00-208,00

**NEW YORK ICE MARKET**



WEEKLY MARKET REPORT



**BRAZIL**

Spring 2023 in Brazil was marked by four heat waves and rainfall well below the historical average in all coffee-growing regions. Summer has just begun and will last until March 20, 2024. Summer begins with afternoon and evening rain showers in all coffee-growing regions, and with the arrival of a cold front on the 27th, the forecast is for moderate rain in the last few days of the year. Climate forecast models show that rainfall should be above the historical average during the summer.

The 23/24 Conilon production is expected to experience a small off cycle, declining by 0.7 million bags to 22.4 million bags. The decline came mainly from the Espirito Santo areas which was primarily driven by extensive pruning of highly productive stems from the 22/23 crop. Looking ahead to 24/25, Conilon production could be forecasted to achieve an all-time high due to expanded production areas in Espirito Santo and Rondônia, utilizing new coffee tree varieties with high yield potential. Additionally, the persistent high-price environment continues to incentivize Conilon farmers to maintain meticulous care of their plantations. However, the 24/25 Conilon production could face potential negative impacts from a prolonged drought triggered by the current El Nino event.

December shipping pace until December 21st is 18% slower than the same date of the previous month. Indeed, 2.8 million bags have been declared for shipment, while only 2.2 million bags were effectively shipped so far. Based on this slower pace and considering the Xmas -holidays and the usual slowing down activities during this period, shipments shall hardly reach 3 million bags. December and consolidated 2023 shipping figures should be announced by Cecafe by the middle of January.

Next year's Brazilian Arabica coffee harvest has the potential to surpass the volume harvested of this variety in 2023, with favorable expectations in the south of Minas Gerais and Zona da Mata, said Rabobank coffee analyst Guilherme Morya, in an interview with Reuters. He considered that these traditional production regions in Minas, the largest Brazilian producer, could compensate for a possible drop in the Cerrado harvest in Minas Gerais. According to Rabobank, a "lower production" is expected in the Cerrado, due to the negative biennially of arabica in 2024, after large production in 2023, in addition to drier weather in November. In general, they think that Brazil can surpass (in 2024) the 42.7 million bags of arabica in 2023.

The dollar has today an important impact on coffee prices, as it is a key factor in price formation at origin. In terms of the exchange rate, the quotes for the week were between R\$4.8500 and R\$4.9512, with a certain devaluation of the dollar against the real. The rating agency S&P has upgraded Brazil from -BB to BB, still a speculative degree but a step ahead. Finance sources expect the country reaches higher grades next year, reaching the soonest possible the investment grade status.

**VIETNAM**

Harvesting accelerated with nearly 70% completed thanks to better weather conditions. Domestic coffee prices went up close to 70,000 VND/kg (US\$2.9) - the highest level ever recorded, but farmers remained reluctant to sell out in anticipation of even higher levels. The price of fresh coffee cherry reached 15,000 VND/kg (\$0.62) - also the highest level ever.

Trading houses, exporters and middlemen who bought coffee between \$2.40-\$2.15 and lower have been suffering delays for their pending contracts. Some washouts have been rumored to have taken place.

As harvesting went on, crop size has been re-estimated. The industry now guesses Lam Dong and Dak Nong up, Dak Lak slightly down, and Gia Lai dropping around 10% to 20% from last crop. Total crop size would be 28.1-28.3 million bags (out of which more than 1 million for Arabica), slightly lower than last crop.

According to the latest data from the Customs Authority, coffee exports in the 1st half of December 2023 continued to increase strongly, reaching 95,482 tons, an increase of 158.3%. Anyway, comparing with December last year, the country did 196,977 tons at that time.

Houthi attacks have contributed to higher oil prices, thus shipping rates, leading to potential delays in the availability of shipping resources, impacting the overall reliability of supply chains.

**CENTRAL AMERICA / COLOMBIA**

The demand for **Central American and Colombian** coffees continues to decline and is reflected in the increasingly lower premiums that producer origins are asking for these coffees. The blends of the most important coffee industries have been gradually decreasing the percentages of these coffees in their blends after the squeeze suffered in previous years due to a lower production of these varieties. It is difficult for the industry in general to return to its Milds consumption percentages taking into account the growing aversion to price increases by consumers.

**OTHERS**

As per the USDA, **Indonesia's** production was projected at 9.7 million bags (-2.2 million) while **India** was seen stable at 6 million bags.

**DEMAND / INDUSTRY**

The **U.S. coffee market** is experiencing the push and pull of conflicting consumer desires, says Caleb Bryant, associate director of food and drink at Mintel, Chicago. Total U.S. retail coffee sales are projected to reach \$20.8 billion in 2023, up 9.5% from 2022. This growth is primarily attributed to price increases. Coffee experienced historical growth of 6.9% from 2018-2022, reaching \$15.7 billion in annual sales. But growth has experienced a slowdown in 2023 to 5.3% versus a year ago through July.

Like most categories, coffee has experienced a shift to price driven growth in the US particularly in 2022, when pricing increased to double-digit levels after modest increases during the COVID pandemic. Squeezed budgets will see consumers save by buying more private-label coffee. However, demand for premium at-home coffee experiences remains high among many consumers; 16% of consumers report creating more specialty coffee drinks at home and 16% report treating themselves to more expensive coffee more often. Meanwhile, single cup, ready-to-drink (RTD) coffee and cold brew segments are driving growth for the category.

The USDA said past week in their last report that **Europe** imported 2.6 million bags less in the season that ended in September (2022/23). The EU imported more from Vietnam and less from Brazil, indicating a trend for roasters to use more robusta beans.

**QUOTATION EURO / US DOLLAR**

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,10247	1,10287	1,10088

Commodity markets rebounded modestly, helped by crude oil regaining ground, as concerns over shipping in the Red Sea continue. Stock markets advanced today supported by government data that showed a moderation in inflation, which could influence the FED to reduce the interest rate next year. The dollar, on the other hand, fell to 5-month lows at around 1.1010 area.

**ADDITIONAL COMMENTS**

The market has been supported by end past week USDA report that reduced the 2023-2024 global supply surplus to 1.9 million bags from 4.1 million bags previously estimated. USDA sees world ending stocks continue to tighten falling to a 12-year low of 26.5 million bags. According with this data, the stocks/usage ratio at 15.6% could be critical.

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