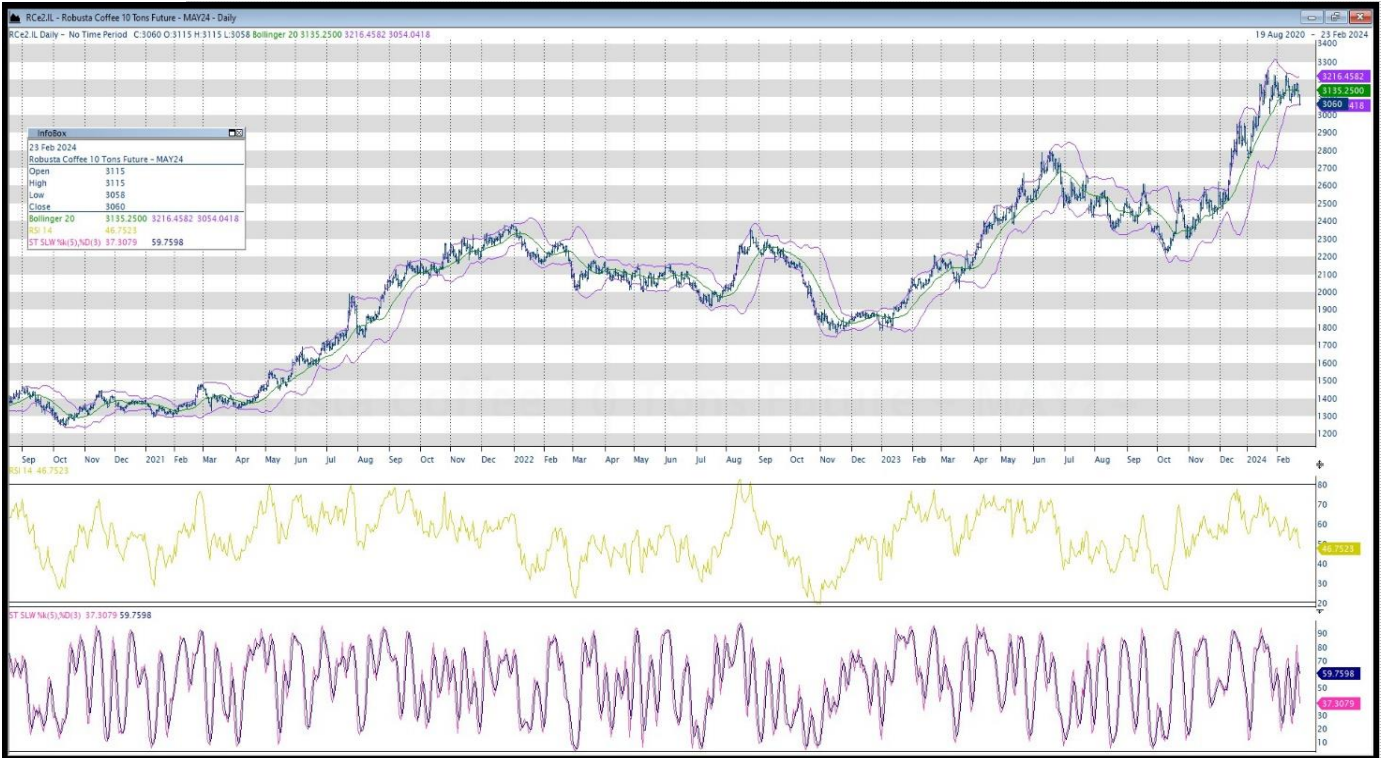


**LONDON ICE MARKET**



**LONDRES**

Posición	último	dif	alto	bajo	cierre
MAR24	3110	-64	3179	3110	3174
MAY24	3033	-80	3115	3029	3113
JUL24	2978	-78	3056	2974	3056
SEP24	2929	-73	2994	2928	3002

**NUEVA YORK**

Posición	último	dif	alto	bajo	cierre
MAR24	191,70	-2,15	193,90	191,70	193,85
MAY24	180,65	-2,50	183,80	180,55	183,15
JUL24	179,60	-2,50	182,55	179,55	182,10
SEP24	179,70	-2,30	182,30	179,65	182,00

**London ICE:**

Supports: 3110, 3130 & 3175  
Resistances: 3070 & 2995

**New York ICE:**

Supports: 181,00 & 173,00  
Resistances: 182,50, 187,50, 190,50 & 195,25

**NEW YORK ICE MARKET**



WEEKLY MARKET REPORT



**BRAZIL**

In the latest round of independent Brazil crop forecast updates, StoneX has come forth with their report to forecast Brazil coffee production could potentially be around 67 million bags the coming July 2024 to June 2025 coffee year, an increase of 4.20% from the current year. Their forecast anticipates 44.30 million bags of mostly natural arabica coffee to come from Brazil that is 3.60% higher than the current 2023/2024, along with an estimated 22.70 million bags Conillon robusta coffee, 5.50% up from the current 2023/2024 year. This estimate is in line with the median average of independent forecasters who foresee on average, the overall Brazil 2024/2025 coffee production to potentially reach 68 million bags. StoneX have similarly reported their observation, which aligns for the most part with other international independent field surveys, that Brazil the estimated potential production for the coming 2024/2025 coffee year has likely been reduced due to the El Niño related record high temperatures and dry weather experienced in varying severity in the coffee areas over the last couple of months of 2023.

Domestic robusta prices in Brazil reach their highest since October 2021. The CEPEA/ESALQ Index for the robusta type averaged BRL 802.67 per 60-kilo bag, for an increase of 8% (almost 60 Reais per bag) compared to the average verified in December 2023.

Moderate rains fell in the northern half of the country once again. The next five days the central and southern areas will have possible isolated to scattered showers. Similar conditions expected for 6-10 day period.

The spot dollar fluctuated this past Thursday again within narrow margins against the real, to close the session with a slight increase, in line with the advance of the North American currency against other currencies of commodity and emerging exporters, on a day marked by data that reinforced the assessment that the US interest rate cut could be delayed until June or even later. The spot dollar closed the day at 4.9523.

**VIETNAM**

FAQ coffee beans prices in the central highlands mounted to a record of VND 82,000 (USD 3.34) per kilo early this week. Robusta coffee prices reached a 28-year record this month, hitting \$3,435 per ton, figures from the Mercantile Exchange of Vietnam (MXV) showed. This agency said limited supply and tensions in the Red Sea will see the coffee price continue heading upwards.

The Vietnam Customs Authority have reported that Vietnam's coffee exports for the month of January have registered 14.80% higher from the previous month, at a record high of 3,971,100 bags. This number is proving to be higher than the 3.25 million bags that had been initially forecast for the month's coffee exports. This export performance exceeds the average for the month of January for coffee exports from Vietnam which is put at an average 2.36 million bags. The cumulative export performance for the first four months of the current October 2023 to September 2024 coffee year in Vietnam that is the largest producer of robusta coffee, is reported to be 1,019,417 bags or 11.24% higher than the same period in the previous year, at a total 10,088,350 bags.

While the export statistics provided by Vietnam authorities report export performance in January last year at 2,375,733 bags, this export performance during January from Vietnam in 2023 can in part, be attributed to the low period of activity within the interior over the festive Tet Lunar New Year, which was observed in this month last year, and not in February as in 2024. The 2022/23 coffee year registered overall production of 27.60 million bags and an export performance at 25.40 million bags. This compared with five-year median average of 29 million bags production and 24.40 million bags exports.

**CENTRAL AMERICA / COLOMBIA**

In the context of El Niño weather, the vast **Central America** region historically experiences drier than usual weather, although this can be influenced by manifestation timing of the phenomenon. Reports from **Honduras** have indicated that there was a spate of very wet weather during the harvest at the beginning of December. The weather has since improved, and harvest activities were able to progress uninterrupted. Within **Nicaragua** meanwhile, the onset of the El Niño weather system had brought about some concern of potential risk of insufficient moisture in later coffee development stages, however there are subsequent reports that the impact of drier weather has not been as severe as initially anticipated. Weather conditions have for the most part been reported to have normalised with the Central American region, with little to indicate any further climatic stress to hinder the health of the trees ahead of the next flowering to come in 2024, at this stage.

Further to the south, the next new crop harvest may be expected to start in a couple of months' time, in **Peru**, where the forecasts for the coming April 2024 to March 2025 coffee crop year indicate production will be marginally lower than the current year at a total 4 million bags. The current April 2023 to March 2024 coffee year that is nearing its end is forecast to reach 4.20 million bags or 15.50% increase in production on that of the previous year.

**OTHERS**

The Comprehensive **Ethiopian** Coffee Strategy and Implementation Roadmap aims to more than quadruple the nation's coffee export revenues to between \$3.6 billion and \$4.6 billion by 2033, up from \$780 million in 2019. Export volume is targeted to rise by 160% to 1.26 million metric tons, from 470,000 metric tons in 2019. The plan is designed to uplift the entire supply chain, particularly growers, so that farmer incomes to quintuple to \$2.7 billion or more, up from \$468 million. It aims to create 2.7 million jobs in the sector. To achieve these ambitious goals, the Ethiopian Coffee and Tea Authority (ECTA) is investing in research and development of new coffee breeds that are "climate resilient, disease resistant, high producing, and high quality." The broader farm strategy is to elevate agronomy, improve productivity, and lift quality.

**DEMAND / INDUSTRY**

**Nestlé** reports sales of CHF93 billion (-1.5%), coffee business posts high single-digit growth despite Nespresso's slowdown. Coffee saw high single-digit growth, with positive sales developments across brands, supported by strong demand in out-of-home channels. Nespresso's organic growth was 5.3%, with pricing of 3.3%. RIG was 2.0%. Foreign exchange negatively impacted sales by 6.0%. Reported sales in Nespresso decreased by 1.2% to CHF 6.4 billion.

**JDE Peet's**, the owner of coffee brands such as Douwe Egberts and Kenco, saw a rise in organic operating profit during 2023 against a decline forecast by analysts, with the group saying it expected growth to continue this year. The group's EBIT figure hit €1.13bn, down 8.1% on a reported basis but up 1.1% organically (+6% when excluding Russia). Analysts had been predicting an organic decline of 1.8% following a 9.3% fall in 2022. Organic sales were up 3.9% after accelerating to 4.3% in the second half when the business saw "positive volume/mix momentum". For 2024, the group expects organic sales growth to come in at the lower end of its medium-term guidance range of 3% and 5%.

**Keurig Dr Pepper** net sales for the full year decreased 5.4% to \$4.1 billion, driven by net price realization of 2.5%, which was more than offset by a volume/mix decline of 7.9%. Pod revenue decreased 3.6%, driven by a pod shipment decline of 5.1%.

Entering the **Indian market** in 2012, **Starbucks** initially focused on high-profile stores in major city centres. However, it has since diversified into India's second and third tier cities with a portfolio of smaller format and drive-thru outlets. The Seattle-based chain is now expanding at pace with 375 stores across 50 cities serving more than 400,000 customers a week. With Indians consuming an estimated INR 4.3trn (\$51.5bn) of coffee every year, it is easy to see why international coffee chains see huge opportunities in the country. In October 2023, **Costa Coffee** CEO Philippe Schaille described India as one of the UK-based coffee chain's top 10 priority markets. Operating in India with licensee Devyani International Ltd, Costa now operates more than 150 stores across the country.

**Arabica NY certified stocks increased** by 8,565 bags to 315,827 bags. Pending grading were down 6,555 bags to 120,427 bags. Total grading Thursday 14,255 bags.

**QUOTATION EURO / US DOLLAR**

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,08205	1,08396	1,08142

**ADDITIONAL COMMENTS**

**Europe's coffee industry has urged the European Union to delay the implementation of its ground-breaking deforestation rules** citing a potentially devastating impact on millions of growers. The EU's ban on imports of commodities produced on newly deforested land will force companies to trace their supplies back to a plot of land and submit the proof, which includes geolocation coordinates of farms. Failing to do so will result in costly penalties. If implemented on Dec. 30 as planned, "the disruptions will be shattering, not least for the millions of smallholder producers for whom the EU is a significant marketplace," the European Coffee Federation said in a letter obtained by Bloomberg News. Some 80% of coffee farmers haven't mapped their plots and wouldn't know how to properly participate in the exercise, it said citing a preliminary survey from the International Coffee Organization.



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