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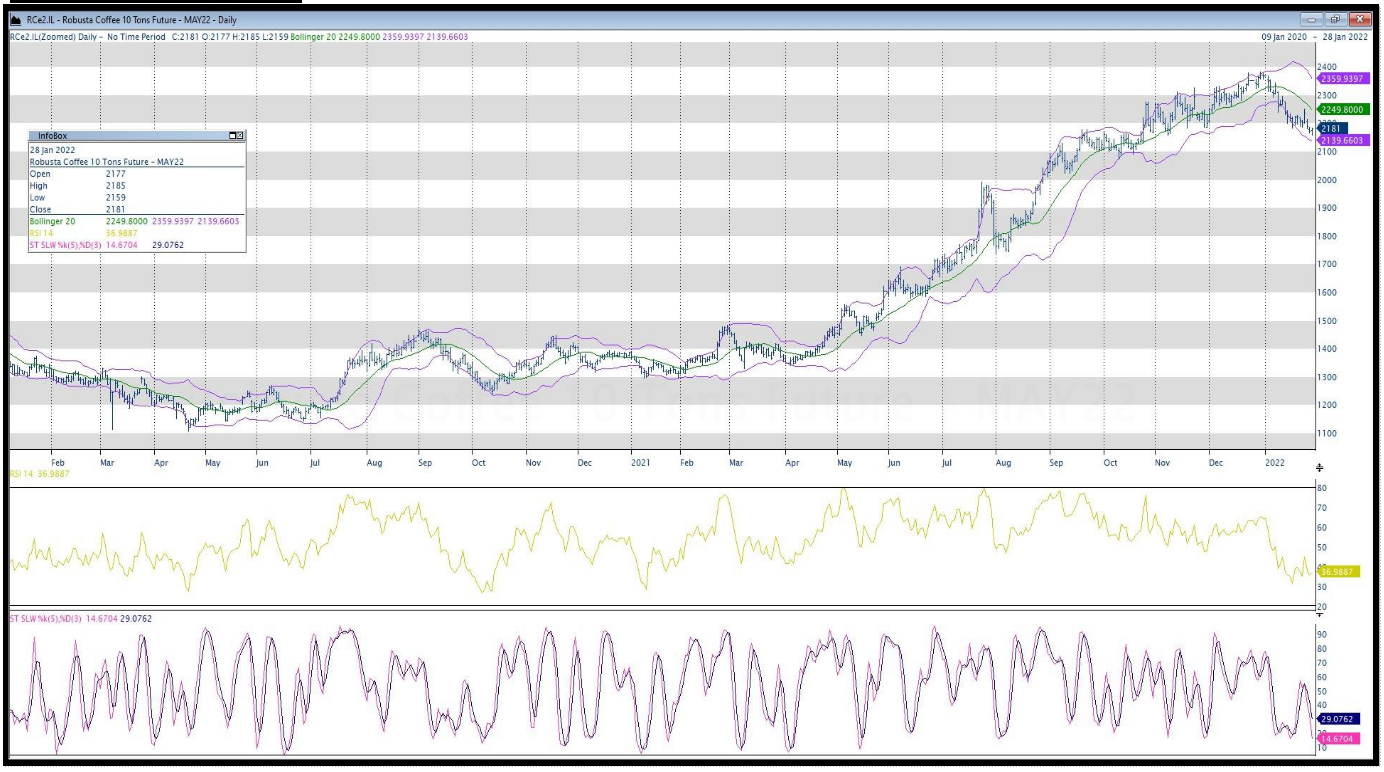
WEEKLY MARKET REPORT

LONDON ICE MARKET



LONDRES					
Posición	último	dif	alto	bajo	cierre
MAR22	2196	5	2210	2165	2193
MAY22	2186	12	2189	2159	2184
JUL22	2175	11	2176	2152	2173
SEP22	2173	12	2173	2152	2170

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
MAR22	235,80	3,75	237,90	230,30	232,05
MAY22	236,30	3,65	238,40	230,90	232,65
JUL22	235,65	3,70	237,50	230,30	231,95
SEP22	234,60	3,65	236,30	229,50	230,95

London ICE:

Supports: 2190-2170
Resistances: 2210, 2280, 2310, 2330 & 2355

New York ICE:

Supports: 234,50, 232,50 & 228,25-226,50
Resistances: 239,50, 241,50 & 251,50-260,00

NEW YORK ICE MARKET

WEEKLY MARKET REPORT

BRAZIL

Conab (Brazil's National Company for Food Supply) released its first estimates for the 2022/23 Brazilian coffee crop, pointing to an output of 55.7 million bags of 60 kilograms in 2022, 16.8% up from that in the previous season. Of this total, 38.7 million bags are expected to be of arabica coffee, which is 23.4% higher than that in 2021/22 – this increase is linked to the positive biennial cycle of arabica crops, although the productive potential expected by agents was not reached, due to bad weather conditions in past months (drought and frosts).

Agents consulted by Cepea have opposite opinions about these estimates: some of them believe the Brazilian coffee production will be lower than that forecast by Conab, due to the high rate of flower abortion, a reflex of the drought and frosts, majorly in southern Minas Gerais and in the Mogiana (SP). On the other hand, others believe that high rainfall since December has favored crops conditions and the filling of beans, which may boost yield in the 2022/23 season. For these agents, the volume to be harvested next season may near Conab's estimates.

Despite the opposite opinions, more accurate figures about coffee production in Brazil may be released only in the coming months, since crops are still in the beans-filling stage. With these uncertainties about the 2022/23 season, most agents, majorly sellers, have been away from the market, keeping domestic liquidity significantly low.

An active wet cold front in the South of the country will come across to the Southern states bringing temperatures down. Heavy rains are forecasted for Parana, Sao Paulo and Minas Gerais. Temperatures will drop from middle 30s to low 20s next week.

VIETNAM

Harvesting of Robusta crop is almost 99% conclude3d in Dak Lak when cherries ripened a few weeks behind other key growing provinces. VCC&C, a local inspection company, reported that quality has improved thanks to better weather and drying conditions.

Vietnam's coffee growers probably sold 52% of their 2021-22 beans as of late January compared with 40% a year earlier, according to the median estimate of eight analysts and traders surveyed by Bloomberg.

Harvesting of Arabica in higher lands of Lam Dong province has been completed by 80%.

Vietnam exported 75.922 tons of coffee during the first half of January, Customs reported.

Country shall be closed for Tet, Lunar New Year, from 29th January to 6th February 2022, but business has already slowed down a few days before and will continue even after that period.

CENTRAL AMERICA / COLOMBIA

Honduras is forecasted to produce 3.45% more than the previous year at a total of 6 million bags during the October 2021 to September 2022 coffee year. Export figures from this fine washed arabica producer country have seen month on month increases over the first three months of the current coffee year, this attributed to the effects of hurricanes Eta and Iota which impacted the country during the latter part of 2020. The National Coffee Institute of Honduras has reported that preliminary data indicates that exports during the October 2021 top September 2022 coffee year shall be marginally lower than the previous year at a total of 5,822,066 bags against a total of 5,877,542 bags during the 20/21 season.

The U.S. Department of Agriculture (USDA) Foreign Agricultural Services have forecast that coffee exports from the mainly washed arabica coffee producer **Guatemala** are expected to increase by 8.78%, to total 3.16 million bags for the October 2021 to September 2022 coffee year, when compared to the previous coffee year, citing that this increase in exports is due as well to factors surrounding the back-to-back hurricanes, Eta and Iota.

Colombia remains the leading and largest quality washed arabica coffee producer within the region, that has potential to reach 15 million bags, with the October 2020 to September 2021 coffee year estimated to have come in at around 13.40 million bags, with a forecast that has been revised lower on the potential production for October 2021 to September 2022 coffee year from earlier estimates of around 14 million bags to be closer to at 13 million bags as the season has progressed toward harvest with heavy, seemingly La Nina related rainfall reportedly disrupting both quality of drying and full yield potential for the coming mid-year "Mitaca" crop. Colombia's Peso currency has shed 10.65% of its value against the US Dollar since the beginning of 2021, though inflationary cost increases are apparent, with the recent announcement from government of set wage increases, other increased and rising costs of imported inputs, which are contributing toward rising costs of production. Rabobank cut as well their Colombia 21/22 production forecast to 12.8m bags from 14m.

OTHERS

Coffee production in East African grower **Uganda** in the new 2021-22 crop cycle that started on Oct. 1, will reach 5.95 million 60-kilogram bags, private and public coffee industry officials said this week. If the new harvest succeeds reaching this number it will be a tad down from output in Uganda's previous 2020-21 cycle (Oct-Sep) in which total production reached 6 million bags, but up 9.6% on the last harvest that ended at 5.475 million bags, according to the US Department of Agriculture (USDA). Physical harvesting of the new crop starts in earnest during the month of November and the news of Uganda's latest production figures represent a rare success story of expansion of a coffee sector at a time most of the world's coffee growing nations see production stagnated at levels often going over 25-30 years back in history. The surge to new highs in Ugandan coffee production comes thanks to an official program for expanding output first launched in 2012 by the official Uganda Coffee Development Authority (UCDA) and which in the last 3-4 years started showing results.

High coffee prices in the global market in 2021 saw **Kenya** earn more from the crop despite a decline in the quantities exported, the government statistics agency said in a report on Tuesday. The east African nation earned 24.2 billion shillings (213 million U.S. dollars) in the period January to November 2021, with the value surpassing the entire 2020 earnings that stood at 196 million dollars, the Kenya National Bureau of Statistics (KNBS) said. During the 2021 trading period, Kenya's coffee prices ranged from 4 dollars to 6.3 dollars, up from 2.5 dollars to 5.9 dollars in 2020.

DEMAND / INDUSTRY

As per some trading sources, **Green Coffee demand growth** lowered to +1.2% in 2021/22 (168 mln bags) and +1.5% in 22/23 (170 mln bags). High prices combined with Covid-19 restrictions (Omicron variant) likely to cap demand growth. Arabica demand to remain subdued as demand growth likely to favor robusta given price competitiveness.

In what respect **stocks of green coffee in producing countries**, during the COVID-19 pandemic stocks were steadily drawn down and are now at levels last seen 7 years ago. Part of the draw in the consumer stocks in the last 2 years was off-set by a build in origin stocks on account of the logistics issues prevalent.

Certs stocks decreased Thursday by 23,545 bags to 1,288,344 bags. Pending grading 29,669. Grading today 11,733. Passed 10,448, failed 1,285. Rabobank forecast ICE US Certs falling below 1m bags within the coming three months.

QUOTATION EURO / US DOLLAR

€/US$ rate	last	high	low
EUR/USD Euro/US Dollar	1,1157	1,11736	1,11215

The latest US PCE inflation data will be released on Friday, although the data is unlikely to have a major impact given that the central bank has committed itself to policy tightening. The dollar maintained a firm overall tone today with the Euro below 1.1150. Markets will monitor any comments from Fed officials to assess whether there is any push back against very hawkish rhetoric. Position adjustment will also remain a significant element on Friday, especially with Ukraine concerns.

ADDITIONAL COMMENTS

Worldwide logistics remain very difficult for container shipments, prices have stopped increasing but remain extremely elevated. On the positive side, break-bulk shipments (without containers) trials are occurring and might start to improve exports/reduce backlog going forward.

Citigroup forecast a global coffee supply surplus of 1.1 million bags for the 2022-2023 year. Global output could reach 178.2 million bags and demand could reach 177.1 million bags. This is after a deficit of 9.4 million bags registered in the 2021-2022 crop, they added. The Brazil's production is pegged at 64.5 million bags, up from the 55.6 million bags a year earlier. Colombia output is estimated at 15.0 million bags and Vietnam at 33.0 million bags. Higher prices are expected to stimulate production across the globe, particularly in the 2023/24 crop year, if sustained.