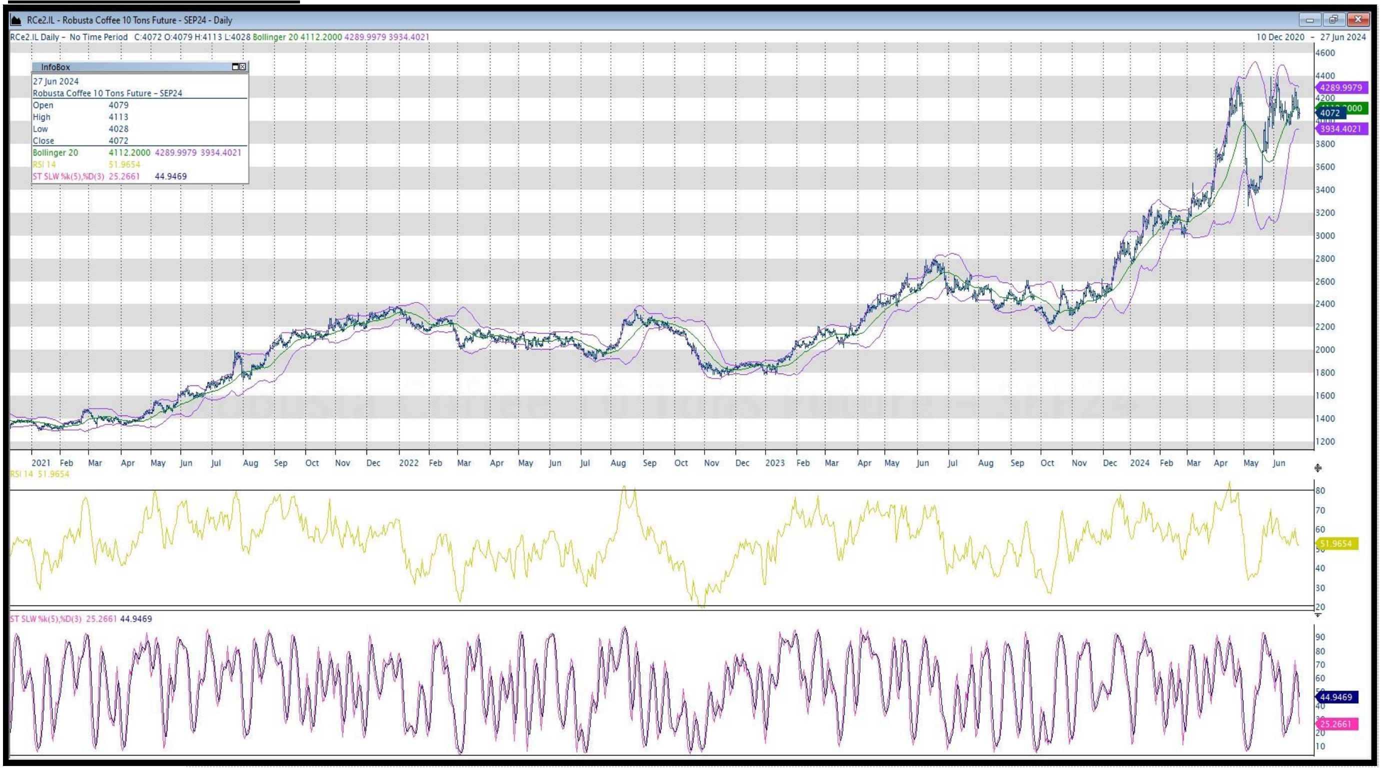
WEEKLY MARKET REPORT

LONDON ICE MARKET



LONDRES					
Posición	**último**	**dif**	**alto**	**bajo**	**cierre**
JUL24	4325	-69	4475	4271	4325
SEP24	4077	18	4113	4028	4059
NOV24	3894	21	3924	3850	3873
JAN25	3730	20	3750	3693	3710

NUEVA YORK					
Posición	**último**	**dif**	**alto**	**bajo**	**cierre**
JUL24	229,35	3,00	229,35	229,35	226,35
SEP24	226,85	2,50	227,25	224,60	224,35
DEC24	225,15	2,65	225,35	222,70	222,50
MAR25	223,30	2,40	223,70	221,10	220,90

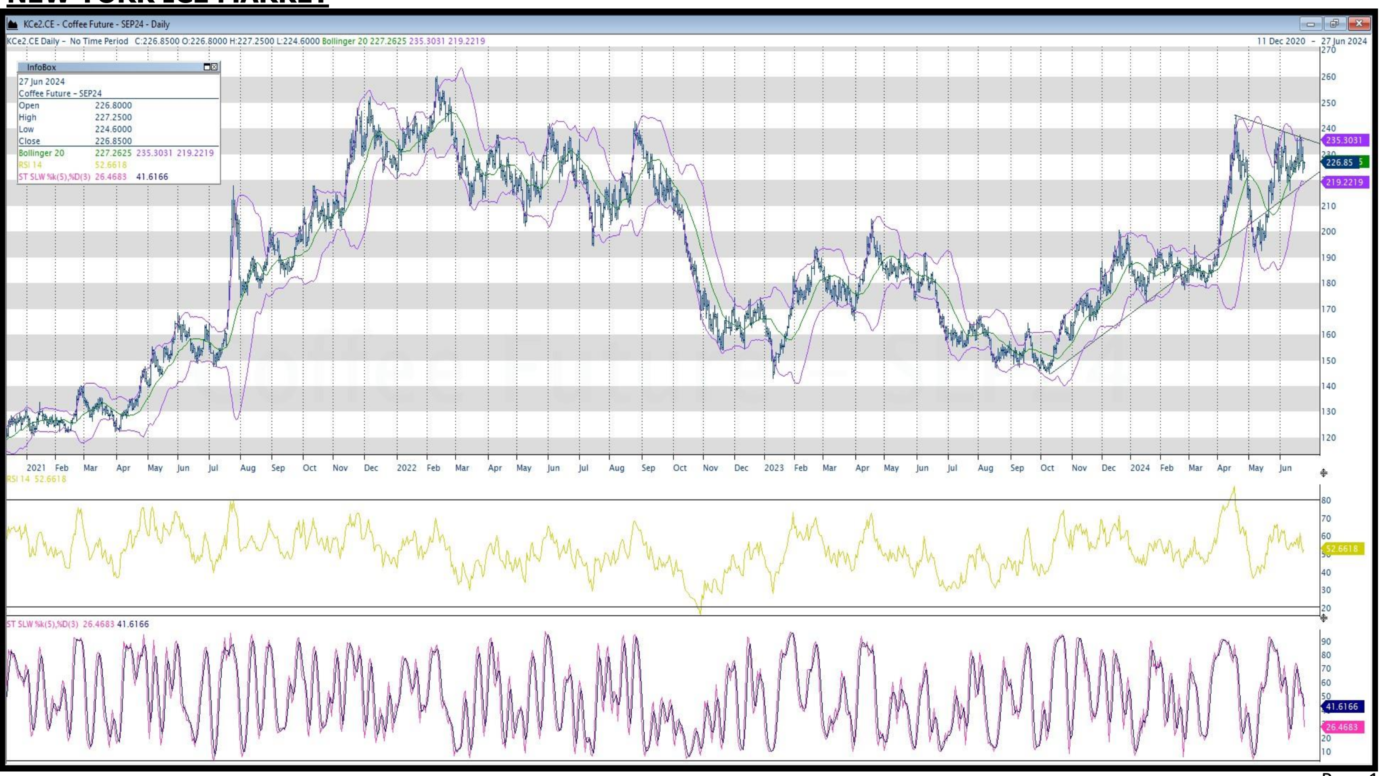
London ICE:

Supports: 4085, 3995, 3940 & 3650
Resistances: 4165, 4230, 4395 & 4565

New York ICE:

Supports: 222,75, 220,00 & 216,00
Resistances: 232,00, 236,50, 234,25 & 268,00

NEW YORK ICE MARKET



WEEKLY MARKET REPORT

BRAZIL

Safras & Mercado put the pace of the Brazilian coffee harvest up 7% on the past week to above average at 44% of the planted area. The conillon harvest reached 62% of the potential production, up from 56% last year and from a five-year average of 59%. The harvest result is below expectations, which should lead to a downward correction in the production estimate.

Winter began on June 20th in Brazil and will last until September 22nd. This is when the dry season occurs in the coffee-growing regions, as the Tropical Maritime air mass makes it difficult for rain to form. Climate forecast models show that this year's winter will be warmer and drier. Anyway, there will be a polar air mass reaching the southeast of Brazil during the first week of July, but as of now, there is very low probability of a frost event affecting the coffee producing areas.

With the Brazilian harvest past a third of the way, more and more arabica availability is coming to the market. Barring any news of cold weather in Brazil, every day that passes should see increasing selling pressure on the market given the current weakness in the Real.

The Brazilian Real traded between 5.37 and 5.48 against the US Dollar, hitting its lowest level during Lula's government. The key event was COPOM's decision on interest rates. After seven consecutive cuts, the committee paused the Selic rate reductions this week. This decision aligns with market expectations but suggests higher interest rate projections for 2024 than anticipated earlier this year.

VIETNAM

The Mercantile Exchange of Vietnam (MVX) expects a drop of between 10 and 16% in next year's output due to the extreme heat wave that hit the Central Highlands, between March and early May. The return of rain in recent weeks should have given some hope to producers, but the drought may have caused irreversible damage to crop. Anyway, the situation appears to differ greatly from region to region. Areas with abundant water reserves have managed to alleviate the water deficit by making greater use of irrigation. Many farmers have managed to cushion the impact of the drought through various expedients and proper farming practices.

As per local sources, visible stocks in Vietnam continued to decline in May 2024, although the month-on-month reduction was less pronounced than in previous months. As of the end of May 2024, visible stocks across Vietnam totaled 238,020 tons. This represents a monthly decrease of 10,455 tons and a significant drop of 171,078 tons compared to the same period last year.

Indonesia's production by 24/25 crop should be up by more than a third (+33.7%) to 10.9 million, a strong recovery from the drop suffered this year. Robusta output is expected to recover 2.7 million bags to 9.5 million on favorable growing conditions in the lowland areas of Southern Sumatra and Java where approximately 75 percent of the coffee production is grown. Last year's crop suffered from excessive rain during cherry development and caused sub-optimal conditions for pollination. Arabica production is seen rising slightly to 1.4 million bags. Elevated output is expected to translate to exports gaining 2.2 million bags to 6.5 million.

CENTRAL AMERICA / COLOMBIA

Colombia - Situation in the domestic market continues with coffee coming with very poor yields that are making difficult life to producers who only can sell coffees with huge discounts due to high excess of defects. Crop conditions remain favoorable for 24/25 crop to be harvested at the end of 2024.

OTHERS

Uganda coffee production is expected to inch higher during the next coffee year, according to a new Report from USDA. Africa's leading coffee exporter produced 6.86 million bags of coffee in 2023/24 (October/September), of which 5.87 million bags were Robusta, an increase of 4.5% on the previous year. For 2024/25, the USDA expects a crop of 6.9 million bags, including 5.895.000 bags of Robusta. USDA estimates 2023/24 exports at 6.515.000 bags, up 3.8% from the previous year. 2024/25 will see a slight increase to 6.575.000 bags.

In 2022/23, 75% of **Uganda** coffee exports went to the 27 EU countries. The implementation of the new Regulation on Deforestation Free Products (EUDR) is expected to affect coffee exports to the European Union (EU), leading the Government of Uganda pledged to register all coffee farmers and establish a National Traceability System to meet EUDR standards. To adhere to the deadline of December 31, 2024, UCDA is negotiating with the EU to implement a Territorial Approach as an interim measure for EUDR compliance.

Tanzania coffee production is as well set to increase next year. According to the latest report from USDA's Foreign Agricultural Service, the African country is forecast to produce 1.5 million bags in 2024/25, of which 800,000 being Arabica and 700,000 Robusta, from 1.4 million bags in 2023/24 crop year, due to favorable weather conditions and the maturation of plantations that have been undergoing rehabilitation since 2018. According to the Tanzania Coffee Board (TCB) by November 2023, 13 million improved seedlings had already been distributed to farmers, and there are plans to distribute 25 million coffee seedlings by the end of 2025. Harvested area is anticipated to remain at 265,000 hectares, as the government of Tanzania is focused on the rehabilitation of existing coffee

DEMAND / INDUSTRY

As per the USDA, **European Union imports** are forecast up 2.0 million bags to 47.5 million due to higher shipments from Brazil and Indonesia. Top suppliers in calendar year 2023 included Brazil (36 percent), Vietnam (25 percent), Uganda (8 percent), and Honduras (7 percent). Ending stocks are expected to rise 2.1 million bags to 11.6 million.

The United States imports the second-largest amount of coffee beans and is forecast to gain 900,000 bags to 24.5 million on rising consumption. Top suppliers in calendar year 2023 included Brazil (27 percent), Colombia (19 percent), Vietnam (11 percent), and Guatemala (6 percent). Ending stocks are forecast unchanged at 5.7 million bags.

Germany - Sales of whole beans are set to outpace ground coffee this year in the home market. German coffee consuming habits have been changing, and between 2017 and 2022, ground coffee and single serve sales declined by 22%, while the sales of whole beans grew by 39%. Data from 2021 meanwhile indicate that Germans spent almost USD 3 billion (EUR 2.975 billion) on coffee consumption at home in that year.

QUOTATION EURO / US DOLLAR

€/US$ rate	last	high	low
EUR/USD Euro/US Dollar	1,06998	1,07019	1,06771

The performance of both London & NY Coffee markets was affected by the by dollar's strength and a risk-averse mood in the financial markets.

ADDITIONAL COMMENTS

The ICO has welcomed the outcomes of the **G7 Summit held last week** at the Borgo Egnazia resort in Fasano, Apulia, Italy. The gathering addressed critical issues such as climate change, economic recovery and international relations, the future of the coffee sector was also discussed. Prior to the event, in April 2024, the G7 Ministers' Meeting on Climate, Energy, and Environment, together with the Italian Presidency of the G7, acknowledged the challenges faced by the coffee sector and advocated for a public-private partnership initiative designed to foster sustainable, resilient, circular, and regenerative coffee value chains. This proposal aims to advance policy, investment, research, innovation, partnerships and blended finance to boost resilience, sustainability, value addition, and the circularity of the coffee global value chain. It will also seek to support smallholders and family farmers in coffee-producing countries and examine the feasibility of establishing a dedicated global fund.