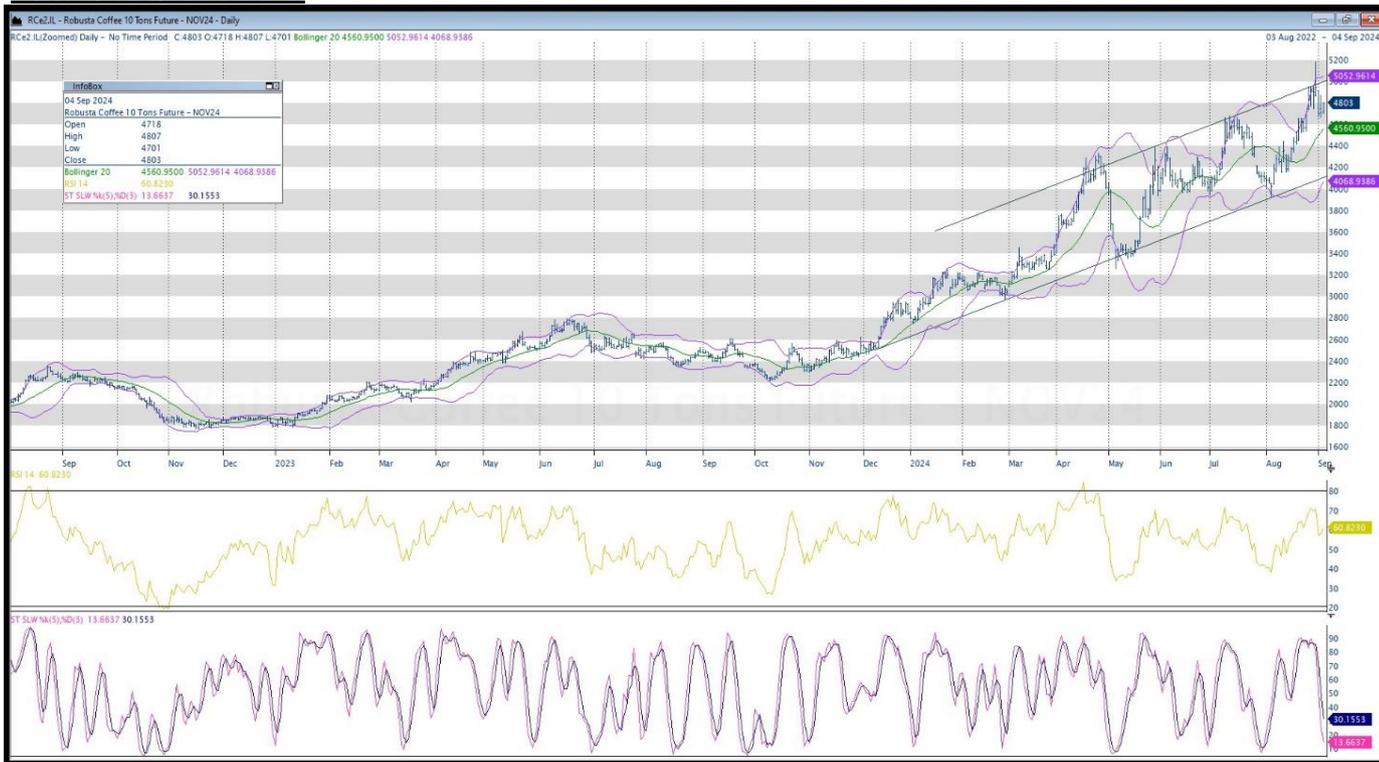


**LONDON ICE MARKET**



LONDRES					
Posición	último	dif	alto	bajo	cierre
SEP24	5125	9	5212	5178	5125
NOV24	4837	127	4844	4701	4710
JAN25	4619	106	4624	4503	4513
MAR25	4440	99	4440	4328	4341

NUEVA YORK					
Posición	último	dif	alto	bajo	cierre
SEP24	246,75	-1,45	246,65	246,65	246,75
DEC24	245,70	2,90	245,75	242,25	242,80
MAR25	243,85	2,80	243,95	240,55	241,05
MAY25	241,85	2,75	241,85	238,55	239,10

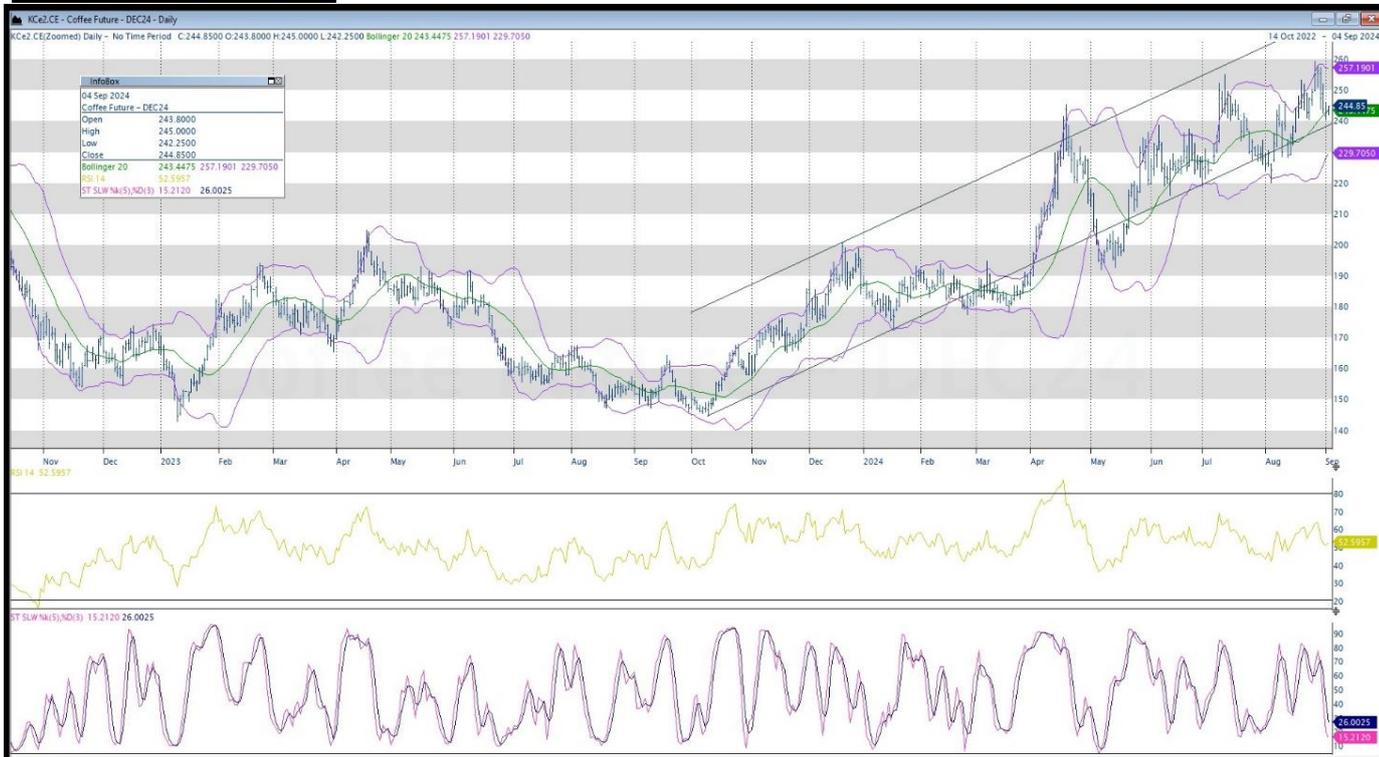
**London ICE:**

Supports: 4795, 4745, 4640 & 4540-4525  
Resistances: 4875, 4985, 5180 & 5300-5310

**New York ICE:**

Supports: 243,50, 239,50-240,50 & 235,00  
Resistances: 247,75, 252,00, 260,50 & 285,00

**NEW YORK ICE MARKET**



WEEKLY MARKET REPORT



**BRAZIL**

August was a very lively month for the coffee futures markets, with frost and drought in Brazil, coupled with a downgrading of production prospects, providing a bullish impetus for both exchanges. London reached new contract highs, while New York peaked to its highest levels in two and a half years. The frost that hit parts of Minas Gerais (particularly in the Cerrado) and the upper Mogiana (São Paulo) in the early hours of Sunday 11<sup>th</sup> August led to sharp rises when trading resumed on Monday 12<sup>th</sup> August.

Apart from that, as per different local sources, the weather situation in the Brazilian coffee belt remains critical. According to the National Monitoring and Warning Centre (Cemaden), the country is facing its worst dry spell since 1981, and the forecasts rule out any rain before the middle of the month. The first spring rains mark the beginning of the Arabica flowering.

A new report from Cepea shows that the CEPEA/ESALQ indicator for Robusta coffee reached new all-time highs in August, outperforming the Arabica indicator. It is the second time this is happening in Cepea's historical series, that runs from November 2001. The first time was between October 2016 and January 2017 when the dry season at Espirito Santo Estate affected seriously the Conilon crop.

Preliminary export data from Cecafe for the month of August shows new crop Brazil exports are still flowing at a good pace, ending the month very close to the record numbers we saw in July. Arabica exports are seen near 2.5m bags while conilon exports are seen near 800k bags, with final data expected to be released in about a week. While we still wait for Vietnam and Indonesia to begin exporting, the new crop exports out of Brazil are helping to alleviate the shortage we have dealt with for most of the 23/24 crop year, and we are seeing the market structure react in response. We do still, however, have three months until the Asian exports begin to really flow, and one more Robusta contract expiration to get through until then, so any major correction will surely be met with more short covering.

**VIETNAM**

Weather in Vietnam is still dry, and the map is showing that rains have been lower than normal these pasts 10 days. However, some good rains are forecasted in Vietnam in the coming weeks that are going to be grateful for the coffee plantations.

**CENTRAL AMERICA / COLOMBIA**

The National Coffee Institute of **Honduras** (IHCAFE) have reported preliminary data that the country's coffee exports for the month of August were 19.44% lower than the same month last year, at a total of 321,303 bags. This they say has contributed to the cumulative coffee exports for first eleven months of the current October 2023 to September 2024 coffee year to be around 11.70% lower than the same period in the previous coffee year, at a total of 4.53 million bags. The institute reports that exports from the current October 2023 to September 2024 crop year are forecast to be around 6.60% lower than the previous October 2022 to September 2023 year, and is estimated to reach a total of 4.98 million bags, with one month ahead for the full export coffee year to be completed.

**Colombia** - Preliminary domestic consumption for July was estimated at 205.000 bags, -2.1% below the same month a year ago. Coffee inventories increased by 2.6% with respect to the previous month and reached 1.05 million bags. The weather remains ideal for the development of the '24/25 main crop, most of it will flow during Oct/Nov.

**OTHERS**

**Kenya** - Cold weather continues around Nairobi and coffee-growing regions. Mombasa port operations continue at the standard pace. Shortage of food-grade containers persists.

**DEMAND / INDUSTRY**

Total number of bags **pending grading**, reached 104,415 bags on past Wednesday 28th August, compared with just 28,585 at the end of the previous week. The largest contribution (56,914 bags) came from Brazil washed or semi-washed Arabica coffee. Shipments from Nicaragua (23,140 bags) and Peru (11,550 bags) were also significant. Certified stocks stood at 847,873 bags on 30 August, slightly higher than at the beginning of the month (822,819 bags on 1st August).

Daily reports on certified stocks are seen by speculators as an indicator of the availability of Arabica coffee in the consumer markets, and an increase in pending grading stocks can be viewed as a bearish factor, at least in the short term. With the Brazilian new crop exports flowing at full pace, we could continue to see gradings in the short term. We are not too far away from the Colombia and Central American crops either, so there is a case for spot inventories to improve and begin to put pressure on the spreads at the front end of the curve.

**QUOTATION EURO / US DOLLAR**

€/US\$ rate	last	high	low
EUR/USD Euro/US Dollar	1,10536	1,1063	1,104

As main reasons that could push a depreciation of the euro, in Germany the extreme right party won its first regional elections in Thuringia (second in Saxony) while the government coalition decreased their results noticeably, and in addition August inflation in the country moderated more than expected up to 1.9% annually.

In any case, at the ECB, J. Nagel was in favor of gradual rate cuts as the inflation target was still far from being achieved.

**ADDITIONAL COMMENTS**

"We are in a low stock environment, which guarantees volatility," said Carlos Mera, an analyst at **Rabobank**. Traders also need to consider other factors, such as shipping disruptions around the Red Sea, congestion in Brazilian ports and the European Union's incoming deforestation rules, he said. "Even though these fundamental factors are difficult to quantify, at these heights the market moves independently of fundamentals,". The rally in robusta has narrowed its discount to the arabica variety. The spread last week was at the smallest in data going back to 2008, according to figures compiled by Bloomberg.

This report is a marketing communication and has not been prepared in accordance with legal requirements designed to promote the independence of investment research; and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

The information in this report is provided solely for informational purposes and should not be regarded as a recommendation to buy, sell or otherwise deal in any particular investment. Private customers should not invest in these products unless they are satisfied that the products are suitable for them and have sought professional advice. All information in this report is obtained from sources believed to be reliable and we make no representation as to its completeness or accuracy. The information may have been acted upon by us for our own purposes and has not been procured for the exclusive benefit of customers.

