Market closed on	July 12, 2016		
ICE:	**CONTRACT**	**CHANGE**	**SETTLE**
	KCU6 - SEPTEMBER 2016	-	147,40
	KCZ6 - DECEMBER 2016	-	150,25
	KCH7 - MARCH 2017	-	152,95
	KCK7 - MAY 2017	-	154,50
	KCN7 - JULY 2017	-	155,75

SPREAD: ICE (CTS/LB)	
-2,85	September/December
-2,70	December/March
-1,55	March/May
-1,25	May/July
-8,35	September/July

BM&F:	**CONTRACT**	**CHANGE**	**SETTLE**
	ICFU16 - SEPTEMBER 2016	-	176,00
	ICFZ16 - DECEMBER 2016	-	179,00

ARBITRAGEM: ICE/BM&F (CTS/LB)	
-14,35	September/September
-14,93	December/December

1 Minute in the coffee

Brazil real fuels rise in arabica price premium to 14-month top

The revival of the Brazilian real is fuelling the unexpected strength of arabica prices, compared with robusta ones – helping the spread between the two varieties hit a 14-month high counter to production signals.

On production considerations alone, futures in robusta beans might be considered likely the outperformer of the two coffee types, given the dryness concerns over plantations in Vietnam, the top grower of the variety, as well as in other major growing countries.

"It has been too dry in the robusta growing regions of Brazil, with the result that the crop is now even further down after a disappointing previous year," Commerzbank said.

"The shortage of robusta coffee is exacerbated by the prolonged dry spell in other key producer countries such as Vietnam, Indonesia and India."

Arabica vs robusta prices

However, on futures markets, New York-traded arabica coffee prices have actually outperformed their London-traded robusta coffee peers, in particular over the last six weeks or so.

Since the end of May, September arabica futures have soared by 20%, compared with an 8.7% rise in September robusta futures.

"The arbitrage between arabica and robusta, as measured on the… futures markets, increased by 20.4% to 62.23 cents a pound, its widest level since April last year," the International Coffee Organisation said on Tuesday.

On composite price indicators kept by the ICO, arabica also outperformed, with Brazilian natural beans, for instance, gaining 7.2% last month – three times the appreciation in robusta beans.

'Exporters shut up shop'

While Brazil, the top arabica producer, is harvesting a bumper crop of the variety, in contrast to the drought-dented output of robusta beans, the ICO flagged the impact of the stronger real in skewing coffee markets.

The rise in arabica coffee prices has "been matched closely by movements in the exchange rate between the Brazilian real, which also hit its strongest level against the dollar since July 2015", the organisation said.

"This will reduce the incentive for exporters in Brazil to release coffee to the international market, especially with domestic stocks suspected to be running low."

This year's strong Brazilian arabica coffee harvest – estimated by Conab officials as rebounding 26% to 40.3m bags – follows two seasons of disappointing crops, yet resilient exports, leaving inventories at a depleted level.

Export dynamics

Brazilian coffee exports of both types of coffee have begun to show year-on-year decline – although particularly so for robusta shipments, which tumbled by 83% year on year in May to 66,868 tonnes, according to exporters' group Cecafe.

Arabica exports fell by a more modest 4.8%, to 2.11m tonnes, according to Cecafe, which unveils data for June on Wednesday.

However, the downturn in Brazilian robusta shipments has been offset by a pick-up in Vietnamese exports, encouraged by higher world prices.

Vietnam's exports last month, at 160,000 tonnes, equivalent to 2.67m bags, were up 46%, according to government estimates, which place total shipments for 2015-16, starting in October, at 1.32m tonnes (22.0m bags) a rise of 32% year on year.

Vietnamese squeeze?

Indeed, the extent of Vietnamese robusta beans too has begun to raise concerns of dwindling stocks here too.

One US-based analyst told Agrimoney.com: "If one includes 3m bags of domestic consumption October through September, Vietnamese has already went through its entire [2015-16] crop, and is living off stocks July onwards.

"There are still three months left of the export season (July-September) and then the hump period of October and November until new crop is available circa US Thanksgiving."

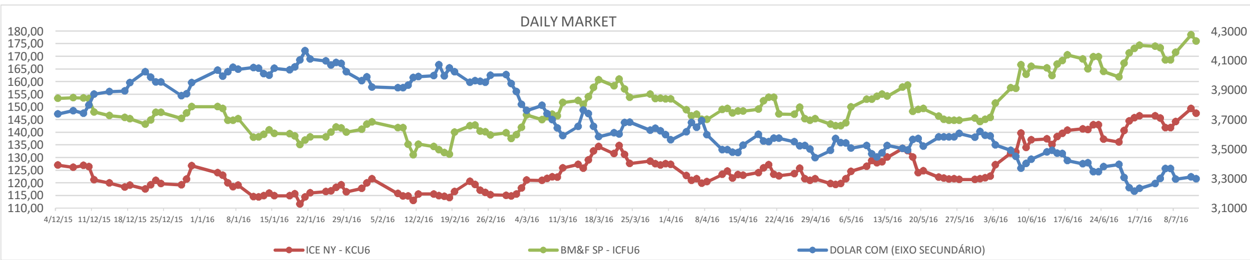
DOL:	**CONTRACT**	**CHANGE**	**SETTLE**
	DOL COM - DOLAR COMERCIAL	-	3,2980

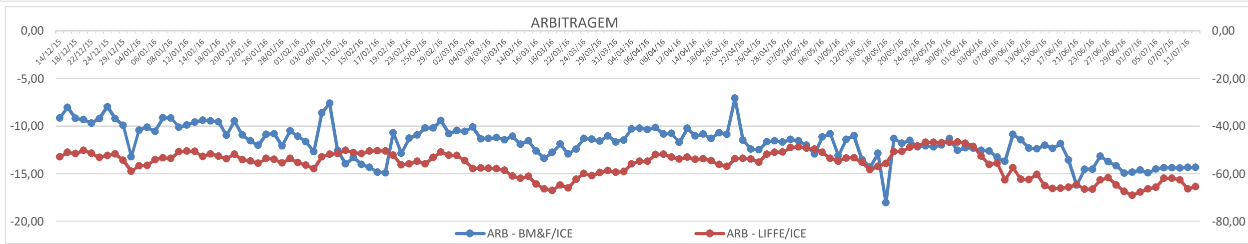
MARKET	**PRICE IDEAS FROM BUYERS**	
	PADRÃO 0 - CEREJA	R$ 575,00
	PADRÃO 1A - FC CERRADO	R$ 535,00
	PADRÃO 1B - FC SOUTH OF MINAS	R$ 515,00
	PADRÃO 2 - GOOD CUP DURO	R$ 495,00
	PADRÃO 3 - GOOD CUP 2 RIADAS	R$ 475,00
	PADRÃO 4 - DURO RIADO RIO (7/2/1)	R$ 455,00
	PADRÃO 5 - RIO	R$ 435,00
	PADRÃO 6A - CONSUMO 600 DEF DURO	R$ 425,00
	PADRÃO 6B - CONSUMO 600 DEF DURO RIADO RIO	R$ 405,00

Note: Standar qualities considering 25% of screen 17/18 and 20% of leakage (maximum of 0,5% of impurity), except quality 6A and 6B.

FOB:	**QUALITY**	**REPLACEMENT**	**JULY/JUNE**
NET SELLER	NY 2/3 17/18 FC CERRADO	9	3
	NY 2/3 15/16 FC CERRADO	4	-2
	NY 2/3 14/16 FC CERRADO	-1	-7
	NY 2/3 17/18 FC SOUTH OF MINAS	-0	-6
	NY 2/3 14/16 FC SOUTH OF MINAS	-7	-13
	NY 2/3 17/18 GOOD CUP	-8	-14
	NY 3/4 14/16 GOOD CUP	-13	-19
	NY 2/3 17/18 GOOD CUP 2 RIOY CUPS	-13	-19
	NY 3/4 14/16 GOOD CUP 2 RIOY CUPS	-18	-24
	NY 5/6 13UP 300 DEF COB GRINDERS	-30	-30
	NY 5/6 12UP 350 DEF COB GRINDERS	-35	-35
	NY 2/3 17/18 RIO MINAS (US$ / 50 KGS)	136	136
	NY 2/3 15/16 RIO MINAS (US$ / 50 KGS)	131	131

Obs: Fob ideas considering price ideas from buyers (Simple exercise).





COLABORADORES	**ASSUNTOS**	**SKYPE**	**TELEFONE FIXO**	**CEL. / WHAT'S UP**	**CEL. ADICIONAL**
ALBERT MIRANDA PAIVA	COMERCIAL	-	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8722 3861	-
EDUARDO SOLAR	TRAFFIC/CLASSIFICAÇÃO	eduardo.solar.transporte	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 9215 6140	-
JESSICA RIBEIRO VALERIO	ADMINISTRATIVO	mcc_adriele	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8879 8923	-
JOSÉ ANTONIO DOS SANTOS MANGA	DIRETOR/QUALIDADE/COMERCIAL	mangajoao	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8433 3280	+55 35 9 8879 9169
KELLY APARECIDA FERREIRA	CERTIFICAÇÕES	kelly-ferreira1	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8817 3837	-
LEONARDO SERGIO SOARES	DIRETOR/ADMINISTRATIVO/FINANCEIRO	lss_82	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8893 9033	+55 35 9 8722 3328
MARCO ANTONIO SMARGIASSI	TRADING/TRAFFIC	marco.gxp	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8845 2008	-
MARCOS EDUARDO CLAUDINO	COMERCIAL	marcos.claudino_mangacoffee	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8898 8100	+55 35 9 8879 9171
SANDRA GOMES	CLASSIFICAÇÃO	sandra.gomes.mangacoffee	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8834 5601	+55 35 9 8705 7164
THALES SARTO	EMBARQUE	-	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 8879 8923	+55 35 9 8868 2541
WALLAFE VITOR TAVARES	EMBARQUE	-	+55 35 3015 5500/+55 35 3214 4379	+55 35 9 88398466	+55 35 9 9215 0026