

Market closed on **July 9, 2020**

ICE: CONTRACT	SETTLE
KCN0	98,90
KCU0	100,70
KCZ0	102,90
KCH1	105,15
KCK1	108,00

SPREAD: ICE (CTS/LB)	
-1,80	July/September
-2,20	September/December
-2,25	December/March
-2,85	March/May
-1,25	May/July

BM&F: CONTRACT	SETTLE
ICNU20	115,80
ICFZ20	117,85

ARBITRAGE: ICE/BM&F (CTS/LB)	
-13,16	September/September
-13,81	December/December

DOL: CONTRACT	SETTLE
DOL COM - DOLAR COMMERCIAL	4,8560

Coffee Market Report

The latest Commitment of Traders report from the New York arabica market has seen the Non-Commercial Speculative sector switch their net long position within the market to a new net short position within the market over the week of trade leading up to Tuesday 2nd June; to register a new net short position of 11,163 Lots which is the equivalent of 3,164,661 bags. This new net short position has most likely been dramatically increased, following the period of overall softer trade that has since followed.

The latest Commitment of Traders report from the London Robusta coffee market has seen the Speculative Managed Money Sector of this market increase their net short sold position within the market over the week of trade leading up to Tuesday 1st June; to register a short-sold position of 35,857 Lots. This net short sold position is the equivalent of 5,976,167 bags and has most likely been little increased following the period of mixed but overall soft sideways trade that has since followed.

The respected U.S. Department of Agriculture Global Agricultural Network USDA have forecast that Tanzania is due to see its coffee production for the forthcoming July 2020 to June 2021 coffee year to be 100,000 bags or 8.00% higher than the previous crop, at a total of 1,350,000 bags, they say is attributed to favourable weather conditions across the coffee growing regions. They say, shall be related to the production of 700,000 bags of arabica coffee, 7.70% higher than the previous crop and 650,000 bags of robusta coffee, 8.33% higher than the previous crop.

Of this new crop, the forecast is that Tanzania will export 16.67% or 200,000 bags less than the previous marketing year at a total of 1,000,000 bags of green coffee. The USDA also forecast that there will be no change to the annual domestic consumption which is to remain at 50,000 bags or only 3.7% of the country's total crop production for the July 2020 to June 2021 coffee year. This is indicated in the report to be mainly due to the consumer preference for tea and the perceived relatively high price of coffee compared to the price of tea.

This report in terms of both the official new crop forecast and many trade and industry forecasts, would appear to be quite ambitious. As most forecast a relatively sharp dip in coffee production for the new coffee crop in Tanzania, with indications that it might struggle to exceed 800,000 bags. With indications that arabica coffee production might only be approximately 500,000 bags and robusta coffee production to be sharply lower, at around 300,000 bags. One might anticipate that as it is still relatively early in the harvesting year, the greater portion of coffee intake is to come from the smallholder coffee growing community, and as deliveries continue, this will provide greater transparency on the question of overall new crop production in the coming months.

The July to July contracts arbitrage between the London and New York markets narrowed on Friday; to register this at 42.98 usc/Lb. This equates to 43.46% price discount for the London Robusta coffee market.

The Certified washed Arabica coffee stocks held against the New York exchange were seen to decrease by 825 bags on Friday; to register these stocks at 1,744,586 bags, with 91.1% of these certified stocks being held in Europe at a total of 1,588,424 bags and the remaining 8.9% being held in the USA at a total of 156,162. There was meanwhile no change to the number of bags pending grading for this exchange; to register these pending grading stocks at 24,489 bags.

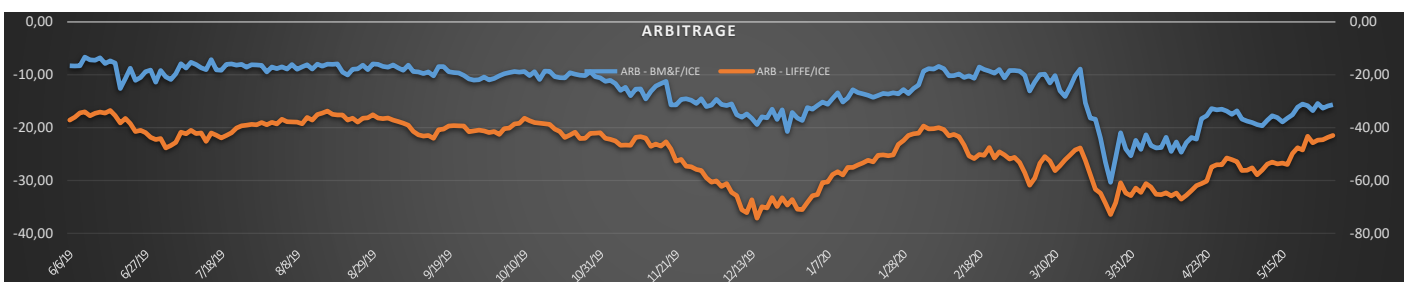
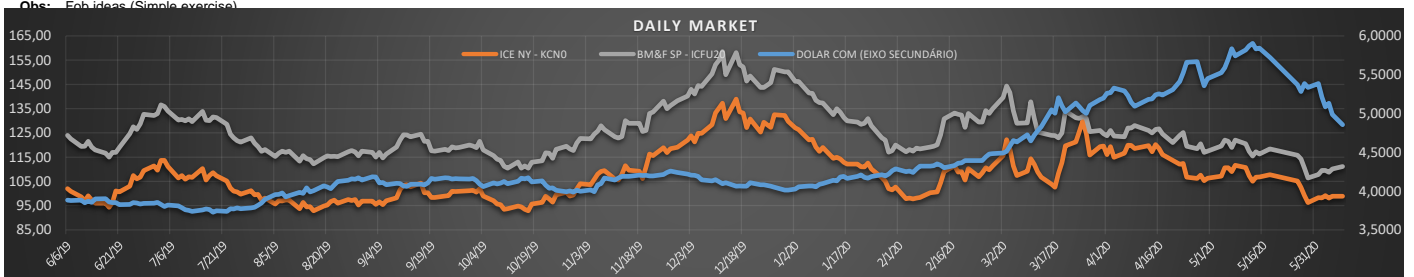
Fonte: iandmsmith.com

MARKET	PRICE IDEAS FROM BUYERS	
	PADRÃO 0 - CEREJA	R\$ 500,00
	PADRÃO 1A - FC CERRADO	R\$ 485,00
	PADRÃO 1B - FC SOUTH OF MINAS	R\$ 475,00
	PADRÃO 2 - GOOD CUP DURO	R\$ 460,00
	PADRÃO 3 - GOOD CUP 2 RIADAS	R\$ 435,00
	PADRÃO 4 - DURO RIADO RIO (7/2/1)	R\$ 415,00
	PADRÃO 5 - RIO	R\$ 370,00
	PADRÃO 6A - CONSUMO 600 DEF DURO	R\$ 370,00
	PADRÃO 6B - CONSUMO 600 DEF DURO RIADO RIO	R\$ 350,00

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

FOB: QUALITY - CONSIDERING THE STRING	July/September
NET SELLER NY 2/3 17/18 FC CERRADO	-3
NY 2/3 15/16 FC CERRADO	-6
NY 2/3 14/16 FC CERRADO	-9
NY 2/3 17/18 FC SOUTH OF MINAS	-5
NY 2/3 14/16 FC SOUTH OF MINAS	-11
NY 2/3 17/18 GOOD CUP	-8
NY 3/4 14/16 GOOD CUP	-14
NY 2/3 17/18 GOOD CUP 2 RIOY CUPS	-13
NY 3/4 14/16 GOOD CUP 2 RIOY CUPS	-19
NY 5/6 13UP 300 DEF COB GRINDERS	-17
NY 5/6 12UP 350 DEF COB GRINDERS	-20
NY 3 17/18 RM (US\$ / 50 KGS)	81
NY 4 15/16 RM (US\$ / 50 KGS)	78
NY 4 14/16 RM (US\$ / 50 KGS)	75

Obs: Fob ideas (Simple exercise)



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