

Atté's Weekly

Hamburg, 28th Feb. 2019

No Mercy,

Price negotiations tough as ever, quality claims presented with the usual degree of disappointment and suspicion, honouring of documents very slow, late shipment claims presented like clockwork. - the systems in place work fine - leaving far too little room for an old style of give and take co-existence.
All well designed to make sure who the winner is

The physical market – Trading volumes still running behind expectations. Foremost hand to mouth business going on but growing. Brazil unchanged to quiet for the time of the year. New crop activities picked up – exporter ideas, however, trailing somewhat behind trade offers. Vietnam very quiet as much as other Robusta origins. Colombia remains stuck with ideas well above buying ideas. Centrals calm. African Arabica activities are only driven by Kenya. Spot interest should pick up greatly soon if judged by the amount of sampling requests.

Latin/South America

Brazil – Farmers slow sellers, overseas buyers seek to fill 1st half 2019 holes. Biz sporadic. 2nd hand owners of Brazil positions try to reduce their exposure despite fairly little overall availability of Brazil at destination. Weather back to favourable for the 2019 crop. Damage, if any, by drier conditions earlier in the year expected to be minimal. BRL/USD 3,75

Colombia – The FNC CEO announced the possibility that the Colombian coffee stop trading on the New York Stock Exchange, as current prices do not reflect its reality and quality. “At these price levels, our coffee farming is not sustainable!! In this 2019, the Colombian Coffee Growers Federation (FNC) redoubles efforts to increase profitability of producers, which includes insisting on the importance of the global industry’s co-responsibility for a sustainable chain, Roberto Vélez, said during a press conference held today in Bogotá.

Honduras – Only bits and pieces changing hands. Available volume seems to be good but exporters are not willing to sell below production costs. We may not reach the predicted 10.6 million 46 kg bags but coming close to that as per farmers info, after having 90% harvested. Exporters suffering also on the decline US Foreign exchange Weather: still dry and hot.

Africa

Kenya – Coffee registered a 12 percent decline at the auction on Tuesday as the international price of the commodity continued to plunge. A market report by the Nairobi Coffee Exchange indicates that a 50-kilogramme bag of coffee fetched Sh18,200 in the weekly trading, down from Sh20,700 in the previous sale. The current drop marks the first major decline since the beginning of the year. Auctions ended up with only 21,600 being offered for sale today. This is after two marketing agents withdrew more 7,000 bags they had catalogued. Quality is impressive – coffees with nice acidity and flavour. However interest for non-certified coffees among dealers has declined. Significant volume of non-certified good cupping lots received no bids or very low bids that were far from reserve prices. We will see these lots in future auctions. Certified coffees found good demand. Weather – Hot and dry as before..

Uganda – Arabica Exports are 25 % below last year January performance and ended up at 70.000 bags. Oct – Jan at 360.000 bags also abt. 18% of last season. Uganda’s President Yoweri Museveni has asked farmers to stop harvesting premature coffee in the name of maximising profits from the crop. The President also asked processors of the cash crop to reject premature coffee beans and strive to ensure total eradication of the vice. “Stop harvesting premature coffee. It compromises the quality of the finished product. This vice affects Uganda’s competitiveness in the world market. All processors should reject such premature coffee beans and ensure that we totally eliminate this vice,” he said.

Ethiopia – Only very small demand seen. Low Ice Terminal keeps offers unattractive. ECX Auctions center prices remain high. A quiet week in Addis. Talk of town: The European Union (EU) is to launch an EU-Coffee Action for Ethiopia (EU-CafE), a €15 million project which will help Ethiopian smallholder farmers boost the yields and quality of their coffee crops through better seeds and farming techniques. This was announced on Wednesday during a visit by the EU’s Ambassador to Ethiopia

Asia

Vietnam – Oct to Feb exports coming to a total of 715.000 tons. It’s nearly 12% above last years volume for the same period. Above is based on abt 100.000 tons during February incl. the TET Holidays. The Buon Ma Thuot Coffee Association have reported that the new crop coffee supply from DakLak shall be 2.4% lower than previous bumper crop but still providing a good coffee supply.

China – Due to the unpleasant market situation in NY, the atmosphere is subdued in the coffee areas and Exporters are not offering at all. Most farmers are far behind last years trade volume.

India – Arrivals of all types slowed down, Arabicas due to lower NY and Robustas due to reluctant selling interest from farmers. This in turn pushing differentials northwards. Meanwhile shipments surge clocking 13% higher than same time last year. Higher screens of washed Arabica and unwashed Robusta commanding good demand. Rupee closed stronger Rs.70.74/USD.

PNG – The ongoing demand can’t be filled as exporters are not prepared to accept buyers ideas which are close to last years differentials.

Indicative FOB Differentials no offers.

Origin	Shipping Month	Exchange	Diff. c/lb
Brazil 2/3, mtgb, ss, fc	March onw.	NYC	-9
Colombia Excelso ep	March onw .	NYC	+22
Guatemala shb, e.p.	March onw.	NYC	+37
Indian Plantation A	March onw.	NYC	+27
Honduras hg, ep	March onw.	NYC	- 1
Kenya AB faq	AprilJan onw.	NYC	+140
PNG Y1-Grade	April onw.	NYC	-4
Ethiopia Djimmah Gr. 5	April onw.	NYC	-16
India Robusta Cherry AB	February onw.	LIFFE	+260
Indonesia EK 1, 80 defects	May onw.	LIFFE	+160
Vietnam Gr. 2, 5%	Mar onw .	LIFFE	-30

The information herein was compiled from different sources and is for information purpose only

28. Feb. 19	Close	weekly change	Open Interest	weekly change	28. Feb. 19	Close	weekly change	Open Interest	weekly change																		
May 19	98,95	-2,45	158.431	11.292	Mar 19	1530	13	894	-17.206																		
Jly 19	101,70	-2,45	57.021	2.344	May 19	1548	4	61.608	10.670																		
Sep 19	104,50	-2,40	37.681	4.120	Jly 19	1552	-4	29.871	3.088																		
Dec 19	108,40	-2,35	24.301	2.522	Sep 19	1563	-9	8.636	1.123																		
Total:			277.434	-4.348	Total:			101.009	-8.801																		
<table border="1"> <thead> <tr> <th>SWITCHES ICE</th> <th>today</th> <th>last week</th> <th>SWITCHES LIFFE</th> <th>today</th> <th>last week</th> </tr> </thead> <tbody> <tr> <td>May/Jly</td> <td>-3,25</td> <td>-2,75</td> <td>1st</td> <td>-18</td> <td>-27</td> </tr> <tr> <td>Jly/Sep</td> <td>-2,75</td> <td>-2,75</td> <td>2nd</td> <td>-4</td> <td>-12</td> </tr> </tbody> </table>					SWITCHES ICE	today	last week	SWITCHES LIFFE	today	last week	May/Jly	-3,25	-2,75	1st	-18	-27	Jly/Sep	-2,75	-2,75	2nd	-4	-12					
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Certified stocks in total (bags): 2.477.001				Certified lots: 12.022 19. Feb																							
GCA Stocks in total (bags): 6.054.938 31. Jan																											
MAY 19 - First Notice Day ICE: APR 22nd, 2019					MCH 19 - First Notice Day LIFFE: FEB 25th, 2019																						
Arbitration NY/Ldn	today	last week				Gold	CRB	WTI Crude Oil																			
May/May	-28,74	-31,37				1,324	183,23	56,92																			
Jly/Jly	-31,31	-33,58				€ : US\$	1,1337																				
						US\$:Real	3,7344																				