

Atté's Weekly

Hamburg, 07th March. 2019

Below a Dollar...

During the last 30 years, NY traded below that level lastingly from July 1989 to May 1994 and from May 2000 to Jan 2005 - almost 5 years each period - Doesn't mean much but imagine if it did ...

The physical market – Fishing for bargains. Differential buying has become very challenging as trade and origin sellers offer only vary cautiously. Brazil producers holding back, making fob offers on replacement basis dear and business ropy. Vietnam slow, diffs steady. Colombia's firmer offers acceptable only for the faithful and connoisseurs. CAM activities split into 3 categories – top lots and cheaper stocklots find homes, average grades see only lukewarm demand. African Arabica similar and get attention if cups are outstanding or if diffs at big discounts. Spot business quite lively, though in small doses.

ICO – Oct18/Jan19 exports reached 41.96m bags. After 39.36m bags the year before. Feb18/Jan19 exports reached 78.78m bags Arabica and 45.96m bags Robusta. Total 124.74m bags. The year before 75.76m bags Arabica and 43.66m bags Robusta. Total 119.42m bags. 2018/19 global production estimated 167.47m bags. Global consumption estimated at 165.18m bags.

Latin/South America

Brazil – Carnival dampened activities as much as firm replacement levels, which are reflected in higher asking differentials. Of course, exceptions can be found in that country which seems still loaded with coffee.... For longer spreads, new crop and into 2020, asking prices are mixed with indications here and there from sellers to let a few cents go. Weather overall favourable. Real softer at 3,8860.

Colombia – Internal market completely paralyzed, replacement firmer every day, little to no offers starting at July +27. Hence impossible to sell volume, although some buyers appreciate the outright value. FNC struggling to create a helping hand, set FOB prices, some overlapping funds from an earlier support scheme, re-financing schemes for producers – all well-meant ideas – but no cure.

Honduras – Quiet throughout the week. Buyers holding back. With supplies still ample interest for exchange gradeable qualities rising and hearsay has it that trades were done at minus 2/46. Weather continued extremely dry with no major rain in the forecast.

Africa

Kenya – Sale 20, kind of historic – almost half of the offered coffees found no interest, either not bid or withdrawn by owners as higher prices were expected. Demand seen pre-dominantly for top end lots, cheaper faq's and some of the lower qualities. Future auctions will see more and more re-offered lots. About 32000 bags are earmarked for sale next week. Port/export logistics slow. KES/USD 99,70

Uganda – Activity seemed to have dried up this week. It appears that efforts are undertaken to improve the quality of harvested coffee to ensure a premium position of Ugandan Coffee in the market thus helping to improve earnings in future.

Ethiopia – The falling ICE market caused some stress to exporters, so some sundried coffee trades seen at very attractive outright levels. Origin prices for washed coffee offers are still higher than 2nd hand differential offers. ECX prices remain high as we still see good short covering for both qualities. Talk of town: Ethiopian athlete Yomif Kejelcha broke world indoor record for the mile in Boston Massachusetts, on last Sunday. He clocked 3:47.01. Congrats!

Asia

Vietnam – Reports continue to filter back from the highlands of a smaller crop for 18/19 but with estimated commercialization of 55-60% by farmers and yoy increase in shipments there is no external feel of shortage. Internal market is a different matter however as perceived low coffee and pepper farmgate prices have slowed the flow of coffee significantly. Farmers appear in no rush to sell their balances and await higher levels. Newswires in Vietnam circulate expectations of dry weather extending into April and even May which appear to boost willingness to hold coffee/speculate. Until we see this dry weather manifest in April this is all conjecture. Nearby demand for Sc13 and low-grade coffees by shippers to meet commitments have caused differentials to firm, premiums to tighten and many now only offer Gd2 with an accompanying Gd1 volume (combo) to avoid being lumbered with excess stock. FOB market beginning to price nearby shipments against July. FAQ bid in Dak Lak at 33,700vnd and delivered HCM at 34,100vnd. Exchange rate circa 23,195 to the USD.

China – Some offers go completely unnoticed, underlying demand some 5 cents away. But local market no offering any room for that.

India – Total permits issued for Indian Coffee Exports including Indian Coffee Instant (Soluble) from 1st Jan until 4th Mar 2019 remained 13.90% higher compared to same period in 2018. FOB offers differentials strengthened further on account of reduced producer selling, increased shorts covering, stronger currency and lower terminal market. In additions we see sluggish arrivals. Lower percent outturn of higher grades (Screen 18+) continue to remain a bigger concern for Robusta (both washed & natural). As differentials moving north day by day trade remained subdued for both Robusta and Arabica. Rupee regained strength against US\$ 70.01.

PNG – Good interest in all types from Y/2 to special Plantation coffees. Differentials are slightly higher to last week, so the good interest is not serviced by exporters.

Indicative FOB Differentials - no offers.

Origin	Shipping Month	Exchange	Diff. c/lb
Brazil 2/3, mtgb, ss, fc	April onw.	NYC	-9
Colombia Excelso ep	April onw.	NYC	+27
Guatemala shb, e.p.	April onw.	NYC	+37
Indian Plantation A	April onw.	NYC	+28
Honduras hg, ep	April onw.	NYC	- 1
Kenya AB faq	April onw.	NYC	+140
PNG Y1-Grade	April onw.	NYC	-2
Ethiopia Djimmah Gr. 5	April onw.	NYC	-15
India Robusta Cherry AB	April onw.	LIFFE	+280
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

6. Mrz. 19	Close	weekly change	Open Interest	weekly change	6. Mrz. 19	Close	weekly change	Open Interest	weekly change																		
May 19	98,70	-0,25	157.394	-1.037	May 19	1532	-16	58.954	-2.654																		
Jly 19	101,30	-0,40	60.402	3.381	Jly 19	1540	-12	32.685	2.814																		
Sep 19	104,00	-0,50	40.308	2.627	Sep 19	1555	-8	10.695	2.059																		
Dec 19	107,80	-0,60	25.095	794	Nov 19	1571	-7	4.751	871																		
Total:			313.964	8.260	Total:			112.293	3.487																		
<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>-2,60</td> <td>-2,75</td> <td>May/Jly</td> <td>-8</td> <td>-4</td> </tr> <tr> <td>Jly/Sep</td> <td>-2,70</td> <td>-2,80</td> <td>Jly/Sep</td> <td>-15</td> <td>-11</td> </tr> </tbody> </table>					SWITCHES ICE	today	last week	SWITCHES LIFFE	today	last week	May/Jly	-2,60	-2,75	May/Jly	-8	-4	Jly/Sep	-2,70	-2,80	Jly/Sep	-15	-11					
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Certified stocks in total (bags): 2.484.615				Certified lots: 11.83		4 05. Mrz																					
GCA Stocks in total (bags): 6.054.938				15. Feb																							
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	-29,21	-28,74				1,283	181,23	53,22																			
Jly/Jly	-31,45	-31,31				€ : US\$	1,1307																				
						US\$:Real	3,8860																				