

Atté's Weekly

Hamburg, 21st March 2019



The physical market – was rather quiet. Big business is rare. Seems only the needful is done, unless a diff. bargain comes along. That's industry. Trade helps each other out where shipment threaten to be too late, qualities need to be replaced or a short needs to be covered. Origin staring at the futures market, wondering why they rolled some of their fixations from March to May and humbly ask for a cent or two more if any buyer asks for offers – but in vain.

Latin/South America

Colombia – Struggling. difficult to create biz under current circumstances. The mode of applying funding to support farmers (reportedly a total of 155 billion Pesos to be made available) needs to be clear. A fairly fruitless discussion whether Colombia shouldn't be a tenderable growth also not helping.

Brazil – No doubt, there is more coffee for sale but many farmers rather calculate their finance cost than accepting what filters through to them what industry and shorts intend to pay. Yet, some leniency in the diff bidding frees coffee at outright levels not seen in years – and it happens here and there. Real lost ground suddenly, probably on news that the last President Temer was arrested on corruption charges but recovered as fast: BRL/USD 3,79

Honduras – Exports as of March 15th: 2017/18 - 3.178.910 60kg bags
2018/19 - 2.628.789 60kg bags, down by 550.121 60kg bags. Good interest for stocklots but availability and sellers price ideas not allowing for “bargains”. Standard grades slow.

Africa

Kenya – Sale 22 offered a fair amount of decent FAQs, and a couple of above average lots. Buying interest fairly strong for those and some of the unwashed parcels in the miscellaneous section. But once again much of the offered coffee went unsold. Availability of top quality is expected to decline rapidly now. Next auction approximately 30,000 bags. Very unfortunately very hot and dry conditions persist with dire consequences already in some parts of the country. KES/USD at 101.

Tanzania – No auction this week. On April 5th the National Coffee Conference takes place when one might hear more about the way forward of TZ's coffee industry.

Uganda – as per UCDA figures, Feb exports dropped by over 33% for Arabica grades and over 11% for Robusta grades, compared to last year's figures. This is a decrease of 16,68% in total with an export volume of 323.828 bags of 60kg. Reasons for this decrease are not too hard to be imagined, with a further weakening terminal market and a large gap between seller's and buyer's price ideas. FAQ prices remain firm with small volumes traded only. Despite the difficult situation a program for planting fresh seedlings is further followed.

Ethiopia – Another quiet week as the NYC market gave no positive sign to start a rally to the North. All exporters pushed by the government to export more to get the needed forex. Exporters are more than keen to get any bid for washed and natural coffees. It's not a healthy market. Talk of town: Gunmen in Ethiopia have shot and killed five workers from a mining company in the restive west on Tuesday. The unidentified attackers struck near Nedjo town, about 500 km from Addis Ababa in the Oromiya region. Let's hope for peace.

Asia

Indonesia – Arrivals in Lampung rose by 15 % during this week. Pickings are delayed on rainfall. Supplies from the mini harvest in the southern part of Sumatra came slightly ahead of expectations of around April. Local industry needs are covered from Vietnam. Waiting for some crop reports to come soon. Currency: 1.-\$/IDR 14.175

Vietnam – With seemingly the main selling period behind us activities continued slowly in the highlands this week. Current market levels are uninteresting for new farmer sales or to fix coffees on consignment. Gd2 demand continues apace with steady demand on the nearby by trade and industry players alike. FOB differentials tighten further and are now quoted against ICE July which suggests bag shipments against their natural hedge month being parity to premium to the exchange. Similarly, Gd3 coffees are also hard to find but larger screens are in abundance. Vietnam shipments to mid- March are 73,000mt as pace slows. Farmgate is bid Farmgate around 33.300-33.500 and 33,800vnd for delivered HCM. VND/USD – 23,200

India – Flow of both washed and unwashed Robustas reduced due to further declined Lon and stronger Rupee. Differentials continue to climb northwards. Few pockets in Coorg received beneficial showers. More showers awaited particularly for Arabica areas to trigger blossom. Demand for higher screens in Washed Arabica and both Robustas is unabated. Rupee continues to hold ground and closed @ Rs.68.77/USD.

PNG – Coffee flow was good through Jan and Feb but has slowed somewhat now due to march being our wettest month as well as lower NYC. We anticipate that it will be quiet for the remainder of the month and will pick up during April which is in line with our season.

Indicative FOB Differentials - no offers.

| Origin | Shipping Month | Exchange | Diff. c/lb |
|----------------------------|----------------|----------|------------|
| Brazil 2/3, mtgb, ss, fc | April onw. | NYC | -10 |
| Colombia Excelso ep | May onw. | NYC | +27 |
| Guatemala shb, e.p. | April onw. | NYC | +37 |
| Indian Plantation A | April onw. | NYC | +30 |
| Honduras hg, ep | April onw. | NYC | - 1 |
| Kenya AB faq | April onw. | NYC | +130 |
| PNG Y1-Grade | April onw. | NYC | -2 |
| Ethiopia Djimmah Gr. 5 | April onw. | NYC | -14 |
| India Robusta Cherry AB | April onw. | LIFFE | +325 |
| Indonesia EK 1, 80 defects | May onw. | LIFFE | +90 |
| Vietnam Gr. 2, 5% | Mar onw . | LIFFE | -35 |

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

| 20. Mrz. 19 | Close | weekly change | Open Interest | weekly change | 20. Mrz. 19 | Close | weekly change | Open Interest | weekly change |
|--|--------|---------------|------------------|------------------------|--|------------------|---------------|----------------------|---------------|
| May 19 | 94,75 | -2,90 | 155.591 | -654 | May 19 | 1495 | -23 | 58.887 | 1.351 |
| Jly 19 | 97,45 | -2,90 | 63.731 | 3.494 | Jly 19 | 1502 | -26 | 35.383 | 1.273 |
| Sep 19 | 100,25 | -2,80 | 46.296 | 1.289 | Sep 19 | 1515 | -29 | 15.431 | 1.265 |
| Dec 19 | 104,10 | -2,85 | 28.511 | 947 | Nov 19 | 1532 | -28 | 5.154 | 303 |
| Total: | | | 330.961 | 6.495 | Total: | | | 121.080 | 5.227 |
| SWITCHES ICE | | | | | SWITCHES LIFFE | | | | |
| | | today | last week | | | today | last week | | |
| May/Jly | | -2,70 | -2,70 | May/Jly | | -7 | -10 | | |
| Jly/Sep | | -2,80 | -2,70 | Jly/Sep | | -13 | -16 | | |
| Certified stocks in total (bags): | | | 2.497.239 | Certified lots: | | | 11.752 | 19. Mrz | |
| GCA Stocks in total (bags): | | | 6.264.896 | 15. Mrz | | | | | |
| MAY 19 - First Notice Day ICE: APR 22nd, 2019 | | | | | MAY 19 - First Notice Day LIFFE: APR 25th, 2019 | | | | |
| Arbitration NY/Ldn | today | last week | | | | Gold | CRB | WTI Crude Oil | |
| May/May | -26,94 | -28,79 | | | | 1,319 | 185,6 | 59,83 | |
| Jly/Jly | -29,32 | -31,04 | | | | € : US\$ | 1,141 | | |
| | | | | | | US\$:Real | 3,7743 | | |