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Atté's Weekly

Hamburg, 21st November 2019


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The physical market – Reasonable business activities. Pent up demand is imminent. Most buying still for earlier 2020 positions – and Dec 19. Brazil selling quite active. differentials amazingly steady despite favourable NY/Real values. Vietnam activities slowed down a bit as diffs stopped coming off further and some bigger clips sold early in the week. Colombia asking levels firm and enjoying good nearby demand. Centrals selling at a decent pace, supported by Colombian firmness. African Arabica with limited offers and steady price ideas, Ethiopia a bit ahead with more sales.
Spot market continued with business across all sorts of coffees.

Latin/South America

Colombia – Despite peak of the main crop still internal replacement very firm, too many players running after available coffee flow. The recovery in the NYc immediately goes to the internal price. Volumes have been good, but quality has only improved slightly as broca affected beans remain a big problem. Demand is strong from all directions with +34 payed for excelso ep. The collapse of Cooperativa de Andes, pretty much like the Garcia Marquez novel "Chronicle of a Death Foretold", has indeed been novelesque, and very confusing. Time will tell how big the damage really is as at the moment it is simply not possible to fully evaluate the situation.

Brazil – Good demand/biz early next year onwards. A fair amount of sales comprises last crop which a safe bet on quality. Differentials holding quite well despite firmer ICE and weaker Real. BRL/USD 4,21

Honduras – New crop flow steadily increasing and first quality reports quite promising. Good overseas demand meets disciplined sellers quoting steady differential ideas for conventional coffee. Business in sustainable coffee is ongoing. Prices firm.

<u>Africa</u>

Uganda – Exports of the 2019-2020 crop year will be about 16 percent higher than the previous one, boosted by favorable weather and expanding acreage as new trees matured. We have seen some interest for black beans, however at low price expectations so exporters prefer to serve the internal market. Otherwise there is not much to report with prices for Robusta screen 15 still between +240 and +260 FOB. Drugar is offered at -17FOB.

Kenya – Next auction on Nov 28th. Main crop harvest now underway with some delay. Main crop buyers fishing for palatable offers.
Tanzania – Today 15,000 bags Arabica (4000 ex North) and 13,000 bags Robusta on sale.

Ethiopia – What a week in Addis. Huge volume traded as the market gave more than good opportunities for buyers to hedge in very nice differentials. Current crop Sundried but also some new crop and all washed. Talk of town: Sidama Liberation front is pushing for self-determination and a respective referendum was held yesterday. All other 80 ethnic groups watching the vote with great interest as the National elections are coming in 2020

<u>Asia</u>

Vietnam – We are at the peak of the expectation for the new crop in Vietnam, all this lovely fresh coffee just waiting to come from eager farmers. Who knows where to peg the diffs for this crop. After all – it's a flat price market - Is the farmer going to sell at $1400 with London at $1340 or with London at $1200? Beginning of the week there has been one giant in the market putting the benchmark for the 1st quarter 20 at abt. +130 fob for Grade 2 5%. Still looks like a hand to mouth biz for most European roasters. Trade starts carefully to cover shorts.

India – Remnants of old crop washed Arabicas finding ready buyers. Unwashed Robusta release is sluggish and is getting absorbed for both export and domestic market. Fly picking of Arabica has started in low elevation areas and small parcels are arriving in Chickmagalur market, main picking is expected to start from FW of Dec. Robusta picking expected to commence from mid Dec. New crop biz is picking up. Growing areas still witnessing occasional rains. Rupee is hovering around 72 and closed @ Rs.71.77/USD.

PNG – First discussions about the new crop ending up on price differences of abt. 5 cents. Result: no biz to report yet but getting closer with the higher market in NYC.

China – Harvest will start in some areas by the end of this month. Outlook is for a crop size not far off last year's crop as weather conditions where quite reasonable overall and could offset some of the crop losses that are expected from another year or reduced farm inputs and switch from coffee to optional crops.

Indicative FOB Differentials - no offers.

Origin	Shipping Month	Exchange	Diff. c/lb
Brazil 2/3, mtgb, ss, fc	Jan onw.	NYC	-9
Colombia Excelso ep	Nov/Dec/Jan	NYC	+34
Guatemala shb, e.p.	Jan onw.	NYC	+34
Indian Plantation A	Feb onw.	NYC	+34
Honduras hg, ep	Dec onw.	NYC	+6
Kenya AB faq	Dec	NYC	+90
PNG Y1-Grade	May onw	NYC	+1
Ethiopia Djimmah Gr. 5	Sep onw.	NYC	90cts
India Robusta Cherry AB	Feb onw.	LIFFE	+425
Indonesia EK 1, 80 defects	n.a.	LIFFE	n.a.
Vietnam Gr. 2, 5%	Jan onw.	LIFFE	+130

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

20. Nov. 19	Close	weekly change	Open Interest	weekly change	20. Nov. 19	Close	weekly change	Open Interest	weekly change
Dec 19	110,95	3,00	124.044	80.894	Jan 20	1386	-25	40.133	-11.693
Mch 20	113,15	2,00	60.834	-58.256	Mch 20	1402	-26	29.090	-2.081
May 20	115,10	1,60	35.351	-17.161	May 20	1416	-29	2.357	-15.810
Jly 20	116,95	1,25	18.347	-15.038	Jly 20	1433	-29	13.899	841
Total:			**268.692**	**-25.990**	**Total:**			**117.023**	**-8.005**

SWITCHES ICE	today	last week	**SWITCHES LIFFE**	today	last week
Dec/Mch	-1,25	-3,20	Jan/Mch	-16	-17
Mch/May	-2,20	-2,35	Mch/May	-14	-17

Certified stocks in total (bags): 2.160.417

Certified lots: 15.649 19. Nov

GCA Stocks in total (bags): 7.177.878 15. Nov

DEC 19 - First Notice Day ICE: NOV 20th, 2019

JAN 20 - First Notice Day LIFFE: DEC 24th, 2019

Arbitration NY/Ldn	today	last week
Mch/Mch	-47,36	-46,38
May/May	-48,93	-47,96

Gold	**CRB**	**WTI Crude Oil**
1,474	178,96	57,11

€ : US$	1,1072
US$:Real	4,2067