

BRAZIL

Compared to last week, the market clearly shifted from a downside acceleration to a tentative stabilization, although liquidity remains very limited. Last week ended with a sharp correction, driven by weaker futures and increased new crop pressure. This week, price action turned more sideways with a slightly firmer tone, primarily supported by short-covering activity from exporters. However, overall traded volumes are remaining below average, and the lack of strong participation in the market is still concerning. The Rio Minas market remains tight with firms' differentials, even with the recent NY rally. Buyers are holding off purchases while sellers are pushing for sales in this new market structure, as the new crop offers are starting to show up.

On the Conilon front, the week turned out to be quite an active one, with some good volume traded following the LND rally. Sellers participated more as the harvest progressed, scaling up the prices and improving the overall average selling price. Buyers are continuing to cover their nearby shorts on an opportunistic basis and are trying to do so before the big rally by trying to maintain stable differentials as long as possible.

COLOMBIA

Colombia's in the latter part of the first half of Mitaca. Coffee availability got better last weekend, but prices remain elevated and very firm. Retention is being seen for higher prices. An appreciating COP in the run-up to the election is making things harder on the FOB differential. All eyes will be on this Sunday's presidential election results and their FX impacts.

RWANDA & BURUNDI

Harvest is estimated to be 94% and 85% completed, respectively. The competition has started to draw down due to the New York correction. Most of the harvest is expected to be completed by the end of June and mid-July, respectively. At the moment, both origins are putting the focus on the production of their Specialty batches.

UGANDA

The Robusta crop is under close look. Timely monitoring is of the essence as the harvest has been largely delayed; the crop is estimated to be 45% harvested and about 20% commercialized. The competition in the field is intense as most exporters are short on nearby shipments.

Arabica parchment season is supposed to be in full swing, but the New York bearish trend and volumes being at a record low resulted in a standstill from a business point of view. Local traders are not willing to adjust the cash price as they bought expensive coffee. Most exporters have now covered their shorts,

meaning traders will have to capitulate at some point. North West parchment season is expected to peak in about 1 month; this might unlock the situation, depending on the volume that region is generating.

INDONESIA

The Robusta crop is estimated to be 47% harvested and 33% commercialized. The flow of arrivals remained stable in Lampung during the week. 25% of the market is dominated by mostly 1 exporter. Price structure in the field has not changed much; differentials are remaining firm despite the London rally at the end of the week.

VIETNAM

London continued to edge up slightly, therefore slowing down the activity on the local market and reducing the selling pressure. It is estimated that coffee holders have already sold a significant volume over the past few days, when the London rally began. Now the betting game starts. If the market reaches new heights, another volume wave could reach the market. If we see a correction, farmers and local traders might simply hold it.

