

BRAZIL

In the Arabica-producing region, harvest is 98% complete. Commercialization stands at around 96% for the current crop and 36% for the upcoming one. Trading slowed last week compared to the week before, with 500,000 bags traded. Sellers got more active, updating prices to follow the KC correction. Demand also slowed, with differentials softening across the board on good cups, while fine cups firmed up. October shipments seem to be facing logistical constraints, which is pushing exporters to hold off on offers for this month. Since most exporters are already fully covered against December, focus has now shifted to Q1 and Q2 2027.

Conilon traded in small volumes this week, mostly due to the sell-off in London. Availability remains good and sellers are ready to release coffee on any market bounce. Prices in Real also slowed things down. They dropped and didn't follow LDN 1/1, which firmed up the differential versus November. Local roasters took advantage of the cheap flat price in Real to cover October and November shipments. Exporters, facing tighter diffs, pulled back, which kept overall volume low. Most exporters have now covered Q4 and are shifting focus to Q1 2027.

COLOMBIA

The internal Colombian market is showing a slight disconnection with New York at the moment. Despite high levels on the ICE NY exchange and Brazil's record crop hitting the market, the Colombian differential hasn't adjusted yet. Differentials are still firm vs. Z procurement-wise, while the intermediaries are looking at even higher differentials. As a result, local traders are holding the coffee as long as their cash flow allows.

On the weather front, a strong El Niño phenomenon is confirmed. For now, the impact remains low – only a minor increase in yield factors, meaning the volume of low grades could be lower than expected. However, the most critical period will hit in January and February 2027, when high temperatures could affect the quality of the 26/27 mitaca crop.

External demand for the first half of 2027 has picked up in recent days, driven mainly by the Asia region. Current until the end of Q4 2026 seems to be reasonable and we don't think they are going to increase further. Exporters' primary focus has now shifted to 2027 forward.

CENTRAL AMERICA & PERU

The consensus is that this crop will come in lower than the previous one, by around 10% year on year. Market activity was quite low, with both suppliers and exporters watching the Brazilian flowering closely to gauge how far this correction could go. ARB with Colombia and Peru is very high and the overall sentiment on offers is: "Why should we drop prices to single digit or negative if Colombia and Peru are trading where they are right now?".

Differential firmed up a bit vs. last week, and we are not seeing a lot of activity at the moment. 4-5 weeks from now, we should be in full harvest and have a clearer picture of where this is all going.

TANZANIA

Local market activity has slowed down on both Robusta and Arabica. Local traders keep on speculating in the market by buying expensively from farmers and holding on to expensive stocks. It is anticipated that the situation will be similar to last year, when many local intermediaries ended up making losses. Local exporters are mostly short, but the New York sell-off forced exporters to adjust the buying differentials lower, which is going to take time for the local market to process.

UGANDA

Robusta flow improved last week, supported by increased liquidation as the harvest nears completion. London futures weakened significantly, while the Ugandan Shilling depreciated modestly. Commercialization remains driven by stock liquidation, with market participants monitoring remaining stocks closely as the season winds down.

Arabica season is in full swing and cherry replacement differentials are starting to soften a bit. With low forward demand for FOB Drugar, more cherry is flowing into the CWS. Local reports point to peak season starting around late September. Weather is shifting too: more rain is showing up in the Arabica regions, which isn't great for Drugar drying. If New York holds in the 280-285 range, we expect exporters to soften their FOB FW15+ offer differentials.

ETHIOPIA & BURUNDI

In Ethiopia, the harvest has started in some lowland areas across producing regions. The holiday period might slow down local market activity.

In Burundi, local traders and other intermediaries started selling parchment, creating some liquidity in the market. Dry mills are in full swing and green coffee starts to be exported. So far, the administration has been swifter to validate exports.

VIETNAM & INDONESIA

On the Vietnam Robusta front, last week the market got flooded with 4500mt of new crop available for Q1/Q2 2027 shipment. Currently, the crop is 97% commercialized. The local market remains quiet, mostly due to the London sell-off. This low local activity is resulting in exporters trying to liquidate their nearby via FOB demand, which seems to be barely there. For the new crop, local shipper increased their offers despite a healthy availability outlook.

In Indonesia on the Robusta market, the demand is still firm locally for FOB prompt delivery. The crop is estimated to be 88% commercialized as of today.