

BRAZIL

The highlight continues to be the high volatility in the coffee markets. Local prices remained firm and made new highs, but the coffee flow is low as market participants remain tentative. All eyes are now on the weather for the coming days, as a dry spell with high temperatures is observed in the coffee belt, which may compromise the flowering period. Constant and significant climate variations continue to fuel high volatility. Ports remain a critical factor with ongoing delays in vessel departures.

ETHIOPIA

As the country opted for a drastic policy change by allowing the currency to float freely, a sharp devaluation quickly followed. Most local traders have chosen to hold on to coffee in anticipation of prices reaching new heights. Coffee holding, however, cannot last indefinitely, and flow is expected to increase gradually in the weeks ahead. Before the currency was allowed to float freely, the Birr was relatively stable, with the exchange rate hovering around ETB 57 per USD. Following the policy change on July 28th, the value of the Birr against the USD has dropped in half, now trading at rates around ETB 120 per USD.

RWANDA

Coffee harvesting season is fully complete. With recent rains, flowering has been triggered across most growing districts. Agronomists are optimistic there'll be multiple flowering events this year. With NY's continued strength, local traders want to liquidate unsold stocks.

UGANDA

Arabica: The harvest has begun in Eastern and Western Uganda and is expected to continue until November. Washing stations have opened across the country, with flow increasing in the weeks ahead. However, this season is expected to be challenging due to volatile prices and a recent hail storm in Western Uganda. On a positive note, production is estimated to rebound in 2025 following favorable flowering over the past 6 weeks.

INDIA

Differentials are falling in line with the terminal market. Traders are keen to book business, but price volatility remains challenging.

INDONESIA

Arabica: The country is in a transition period as coffee flow slows down in Java, Flores, and Sulawesi while the season in Sumatra is about to begin. Local prices remain relatively unchanged, but the reduction in coffee flow & strengthening of the currency are resulting in higher FOB differentials.

Robusta: Arrivals to Lampung have increased by 60% from the previous week. However, this is still lower than the peak a month ago. It seems that farmers' behavior is changing, and they are more willing to release their coffee. Due to high prices, farmers have had enough money to pay debts and cover daily needs, only selling their remaining stocks if the price meets their expectations. Despite the London market rally, the strengthening of the IDR has meant differentials have remained relatively stable.

PNG

Local prices have been matching the movements of the NY market. Differentials remain firm as local traders are in no rush to sell. Diminishing coffee flow is expected for the next 4-5 weeks as the season ends.

