

UNITED STATES

Political winds appear to be shifting when it comes to U.S. tariffs, especially given their impact on American consumers. The Republican-led U.S. Senate passed legislation that would overturn President Trump's tariffs against Brazil. In the first of three tariff bills expected in the Senate, lawmakers approved the Brazil measure 52-48, with five Republicans crossing partisan lines to back the legislation. Senate Democrats, who contend that Trump has used illegitimate emergency declarations to justify tariffs, have pledged to force repeated votes to undo the White House's foreign trade policy as prices on affected goods rise, hurting American consumers. This vote has sent the Brazil measure to the Republican-controlled U.S. House of Representatives, where it is expected to stall. House Republicans have repeatedly voted to block action on legislation to end the Administration's tariffs.

BRAZIL

A meeting between Lula and Trump took place at the Association of Southeast Asian Nations (ASEAN). Following a week of high volatility, sharp NY market movements and record local prices, sellers pulled back and coffee flow slowed down accordingly. The distortion stemming from 50% US tariffs on Brazil becomes evident with gaps in short-term demand. Any forward offers remain very limited due to the sharp market inversion. Rainfall has been sufficient for flowers to set and optimism is growing as next year could be a record crop.

KENYA

Auctions continue trading the end of the fly crop at an expected pace of 7K to 8k bags per week. According to the latest crop surveys, total output is expected to be equal to last season, but maturing earlier.

TANZANIA

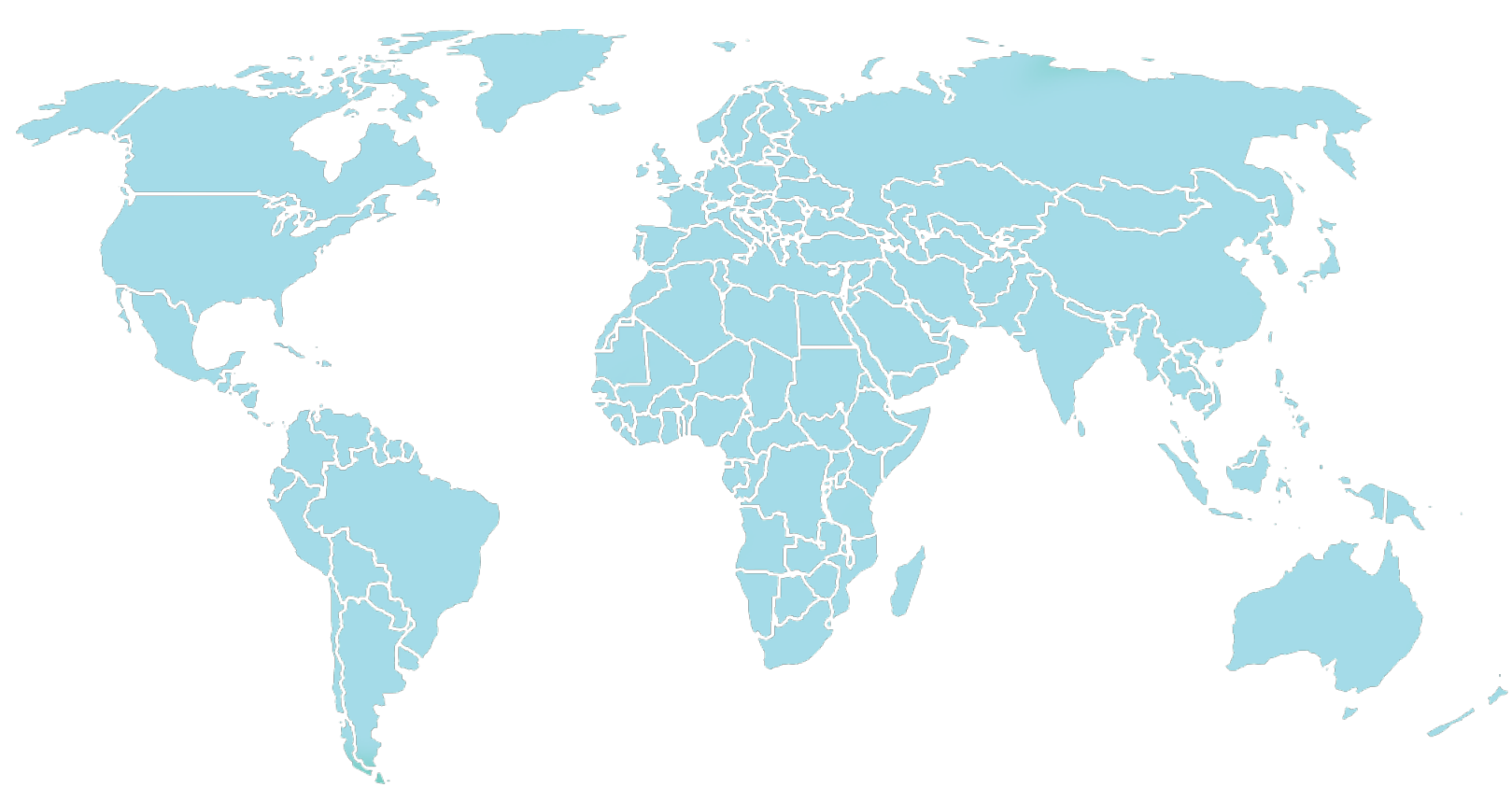
A tense week in Tanzania due to Presidential elections saw widespread demonstrations and an internet shut down across the country. Following the swearing-in of President Samia Suluhu Hassan on Monday, the government directed the reopening of the port and the restoration of internet services. The curfew has now been lifted, allowing economic activity to gradually resume after coffee shipments were halted for several days. A substantial backlog has now built up at the port. Customs clearance and cargo delivery processes are congested and will take time to normalize.

Arabica: Coffee flow remains steady with 90% of the crop already at mills and the remaining balance held upcountry by farmers in anticipation of higher local prices.

Robusta: The harvest is over and auction volumes have dried up. Local traders are currently holding any remaining stocks and selling strategically.

VIETNAM

Above normal precipitation has analysts concerned over potential harvest delays and quality issues. Any disruption to Vietnam's harvest could drive renewed global availability concerns as the world's largest Robusta producer.



SUCAFINA SA

1 Place de St-Gervais, CP 5425, 1211 Geneva 11, Switzerland | www.sucafina.com | T. +41 22 839 77 77 | F. +41 22 702 92 26