

BRAZIL

Arabica: Market got stuck following the developments of the presidential election. The gap between buyers' and sellers' prices became bigger and only small, immediate business were reported in the internal market. In overall, local prices keep falling WoW but the reported volume of business remains very low. The big volatility in NY and currency kept diffs practically unchanged. FOB market with a lot of asks, especially for Dec-Feb23, but no business materializing - the forwards' prices remain unattractive to buyers.

Conilon: Contorted and very volatile week after the presidential elections. At the beginning of the week, sellers were afraid to sell and were waiting for the developments of the election so the volume of business was close to zero. After a couple of days, the flow went back to normal. The price movement continued to go down as the domestic roasters kept lowering their targets, buying hand to mouth and claiming good coverage up to Feb23. Diffs unchanged WoW but very volatile during the week, trading at a wide range following futures markets. The FOB market remains extremely slow, with no business reported at all.

COE Winners 2022: Piatã town in Bahia state took 4 out of the Top 5 Winners. Online auction will be held on December 1st. <https://www.brazilcoffeenation.com.br/file/download/id/12165>

COLOMBIA

No major changes for the week. Flow picking up as the crop kicks in, demand is very quiet and internal market trying to find some liquidity. This will eventually translate in a differential for Colombia still going south. A real change can come from the FX, which has reached above 5000 cop/usd. Most likely due to the uncertainty towards the tax reform and the government.

BURUNDI

Following last week's lifting of EU sanctions, this week the UNHCR deputy high commissioner visited Burundi. A roundtable discussion with the highest Government officials took place and reports indicate the country will start to receive more development funding. The first edition of the private sector national forum also took place on Wednesday. The main message was that the Government is going to crack down on foreign currency & tax evasion.

ETHIOPIA

As the 22/23 crop approaches, the government is putting pressure on shippers to export the remaining amounts of the 21/22 Crop. Minimum regulated export prices eased this week and are currently 1.75 usc/lb for DJ 5 and 1.77 usc/lb for Lek 5, which is still not enough to stimulate trading. Meanwhile cherry prices paid in the areas where the crop is currently under harvest is still quite high. It is difficult to see how the crop can be monetized profitably unless 1) a

significant devaluation in the Birr occurs between now and when the crop is commercialized or 2) the Government steps in and takes measures to ease farm gate prices.

On a different note, the world is waiting to see if the peace agreement between the two warring parties in Ethiopia will genuinely put an end to the two-year conflict. According to their joint statement, the federal government of Ethiopia and the TPLF decided to put a halt to hostilities permanently. The federal government would reassert its authority in the area by taking back management of the region. They have committed to restoring services to Tigray and unrestricted access for relief organizations. TPLF has also conceded to disarm and demobilize its fighters. A committee of specialists under the direction of the African Union (AU) will keep an eye on the implementation of the agreement.

KENYA

A small auction took place this week with only 4,500 bags on offer. Farmers are holding off the market in anticipation of higher prices as the harvest of the main 22-23 crop starts in a few weeks. We expect the crop to be 15-20% lower vs last year due to drought impact during flowering. The seasonal rains have returned and are now detrimental for cherry ripening. Prices for AA spiked-up last week due to strong local demand, probably because local exporters have started building their position in anticipation of higher prices before the end of the year. Overall demand for the new crop is building up as roasters are now looking at securing top quality lots for Q1 23 shipments.

RWANDA

No changes on the trading side since last week. Many local traders are still holding unhedged stocks and haven't adjusted their expectations after the market drop. A drought spell in the Eastern Province is starting to raise concerns about farm yields and food security. The Eastern Province has the country's largest farms and is where most food staples are grown. This development comes at a time where maize and beans (the country's main staples) are already trading at more than double the price they were earlier this year. The drought also threatens coffee. Although the West is known for its high grown coffees, the East is still a significant producing area and if the drought persists next year's harvest will come under pressure. Fortunately, the rest of the country is still receiving adequate rainfall.

TANZANIA

Arabica: Finally, an auction! Although very little coffee was confirmed as sold at the actual auction. The negotiations or the "auction after the auction" is becoming the new norm. Suppliers are still in disbelief about the market drop and the new prices. It's going to take some time to adjust. Generally speaking, Tanzania wide, we are experiencing water shortages and power cuts, which is also impacting milling and the flow of arabica from up country.

Robusta: no change from our last update.