

BRAZIL

Arabica: The lack of liquidity at replacement level is continuing and supporting the firm prices for new business. In addition, the year is drawing to a close, causing a period of lower volume of trades to be registered due to producer tax strategies. On the other hand, the demand is coming but it is not resulting on new business due to the gap between the desired price and real price. No alert flags for the weather. We have begun our crop tour to follow the new crop's development.

Conilon: More of the same for Conilon this week. Very slow in terms of business and producers are avoiding adding more sales since they must pay taxes as the end of the year draws closer. The few reported business was only to players who had to cover their immediate shorts, leading prices to climb higher since the volume of coffee offered in the market is very low. Diffs ended the week considerably higher, as the futures and currency didn't go up at the same pace as the BRL prices asked by producers. The FOB market remains extremely quiet as Conilons are still not competitive in FOB market.

COLOMBIA

No major changes for Colombia this week with internal market moving very similarly. Some parchment is still moving, but not a huge volume. It seems that we will still have availability for another couple of weeks, but not that much as is normally expected for this time of the year with the main crop fully in. Based on the flowering patterns we saw during the beginning of the year, it's possible to see a small increase in the availability for Jan 2023, most likely followed by a very dry season for Feb and March in terms of parchment flow. Demand is relatively active, with a little more interest on December shipments. Weather still very wet all over Colombia, something that is expected to continue for at least another 2 weeks. The forecast is for La Niñas to lose some strength by mid-December.

YUNNAN

Cherry continues to come in to all wet-mills and the green buyers who are normally active by this time in the harvest are quiet. Cherry prices have increased in real terms all last week, but it is pure coincidence that NY also increased. Quality thus far seems okay.

TANZANIA

Arabica: There was an auction on the 24th although volumes remain quite small. Some coffee is slipping out through direct exports and quite a bit is being retained by suppliers. We are now 4 weeks away from Christmas and traditionally this should be the busiest time of the year, however the market situation is keeping sellers hesitant. Power cuts and water shortages

remain a problem across the country. We have started to see some rains in the coffee producing areas across the country.

UGANDA

Arabica: The harvest in the west is expected to end next week. The season is ending three weeks earlier than previous years so changing weather patterns are a topic of discussion among stakeholders. Our focus now shifts to dry mill production and the fulfillment of shipments. On SW & Drugar, middlemen continue to be long the little coffee that is left but we expect they will likely liquidate before year ends to improve their cash-flows.

Robusta: Robusta flow into Kampala for end-November is concerning as it is much lower than expectations. Key drivers for this are 1) more than average rainfall for this period, inhibiting drying and/or harvesting; and 2) strict monitoring of Robusta flows into hulling stations by UCDA to ensure right quality is being sold by farmers. Local prices across traders remain within a narrow range, indicating the low appetite for speculation from all players.

