



Coffee Market Situation

119th International Coffee Council
March 2017

Prices

InterContinental Exchange, Inc.

↑ 134.3600
6.05 ↑ 4.72%

588,500
ICE
888,140

135.25
OPEN

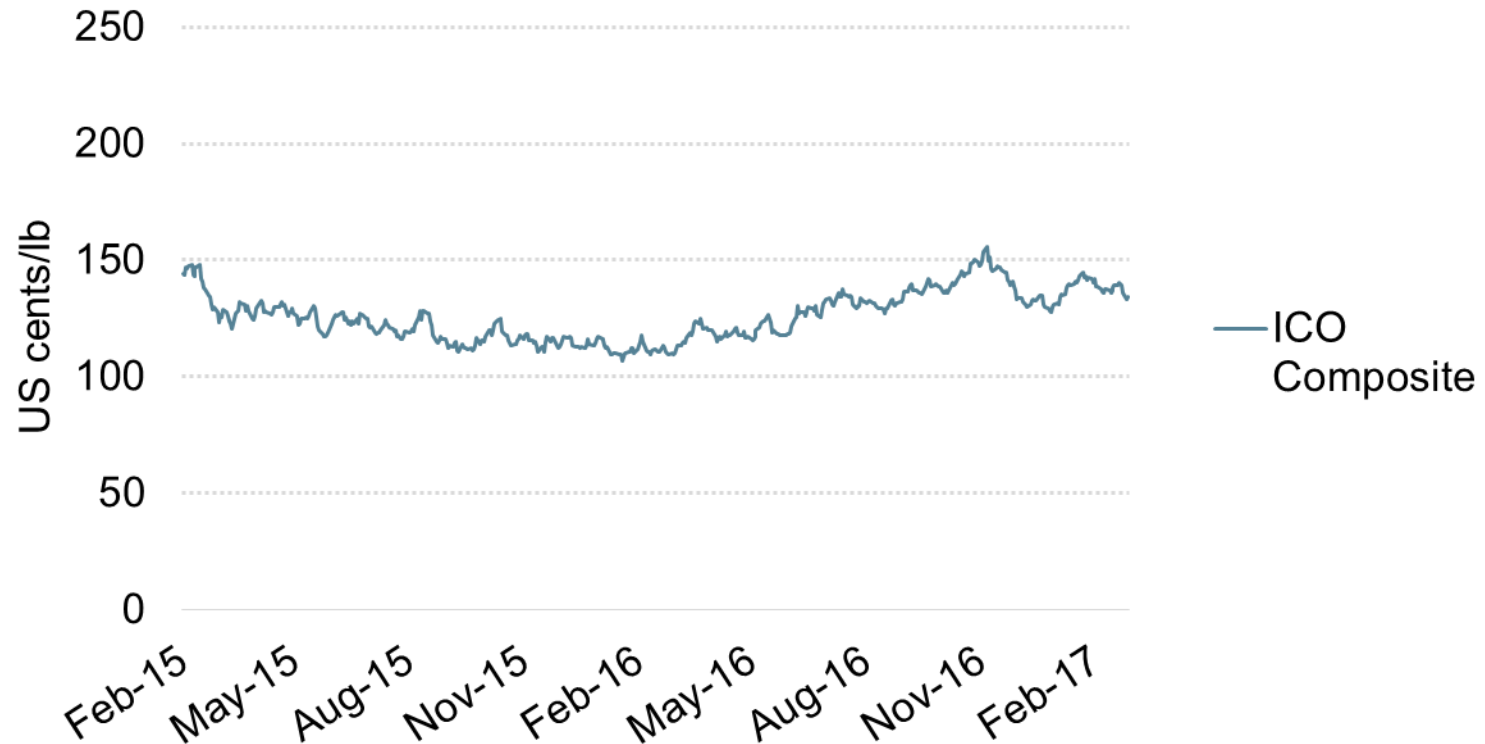
135.40
HIGH

134.00
LOW

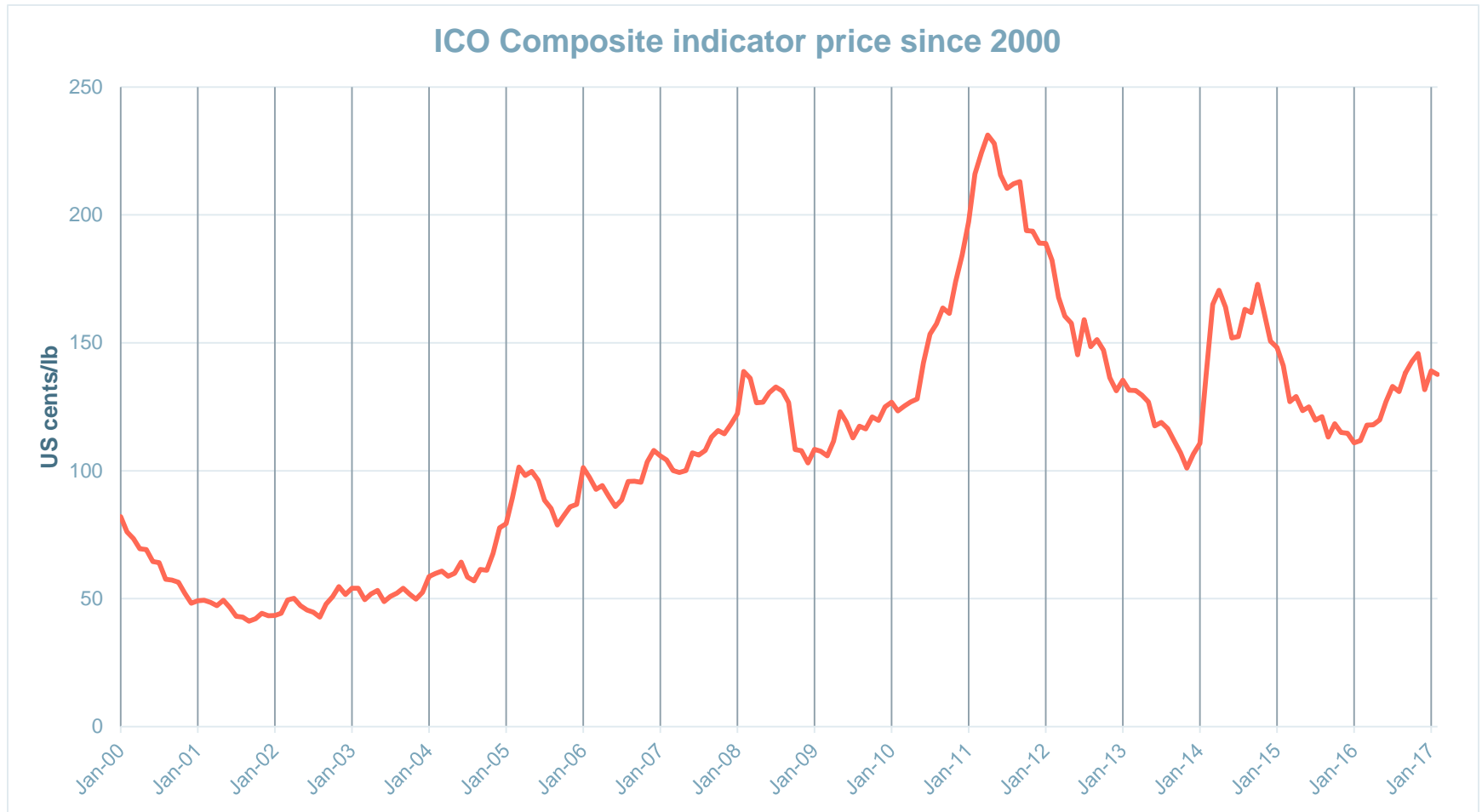
EAT 100 @ 31.5308

Price

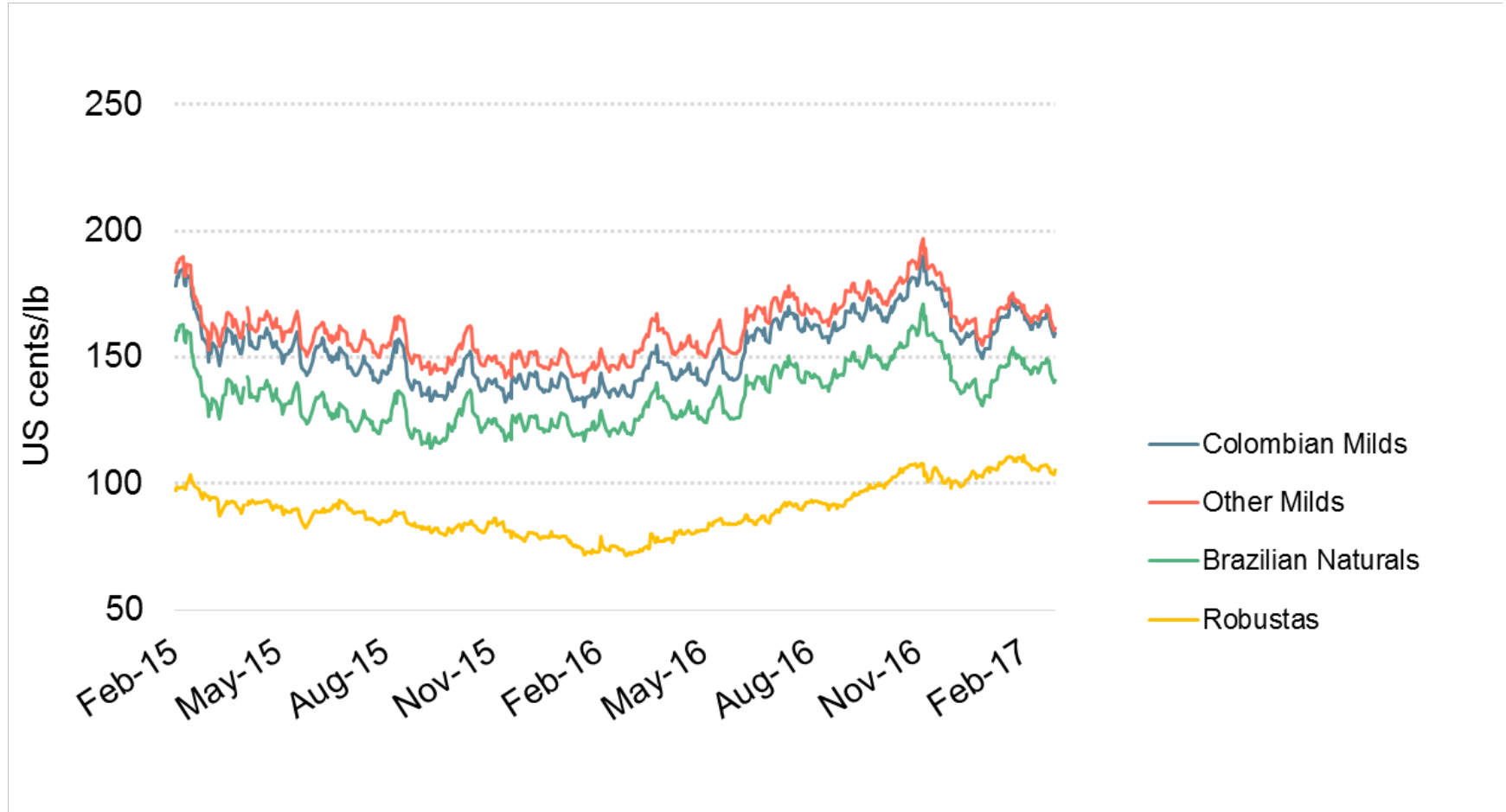
Daily prices: ICO composite Indicator



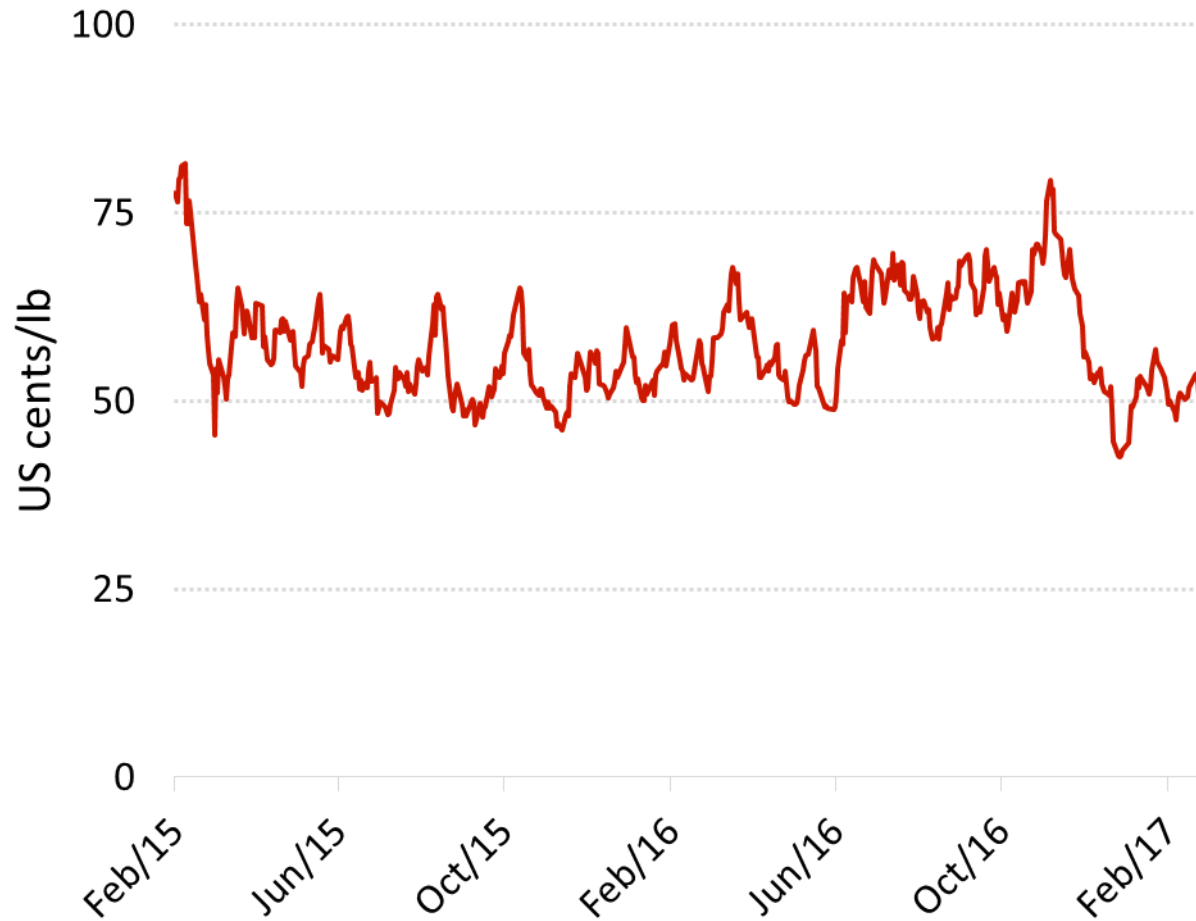
ICO composite Indicator: Monthly average since 2000



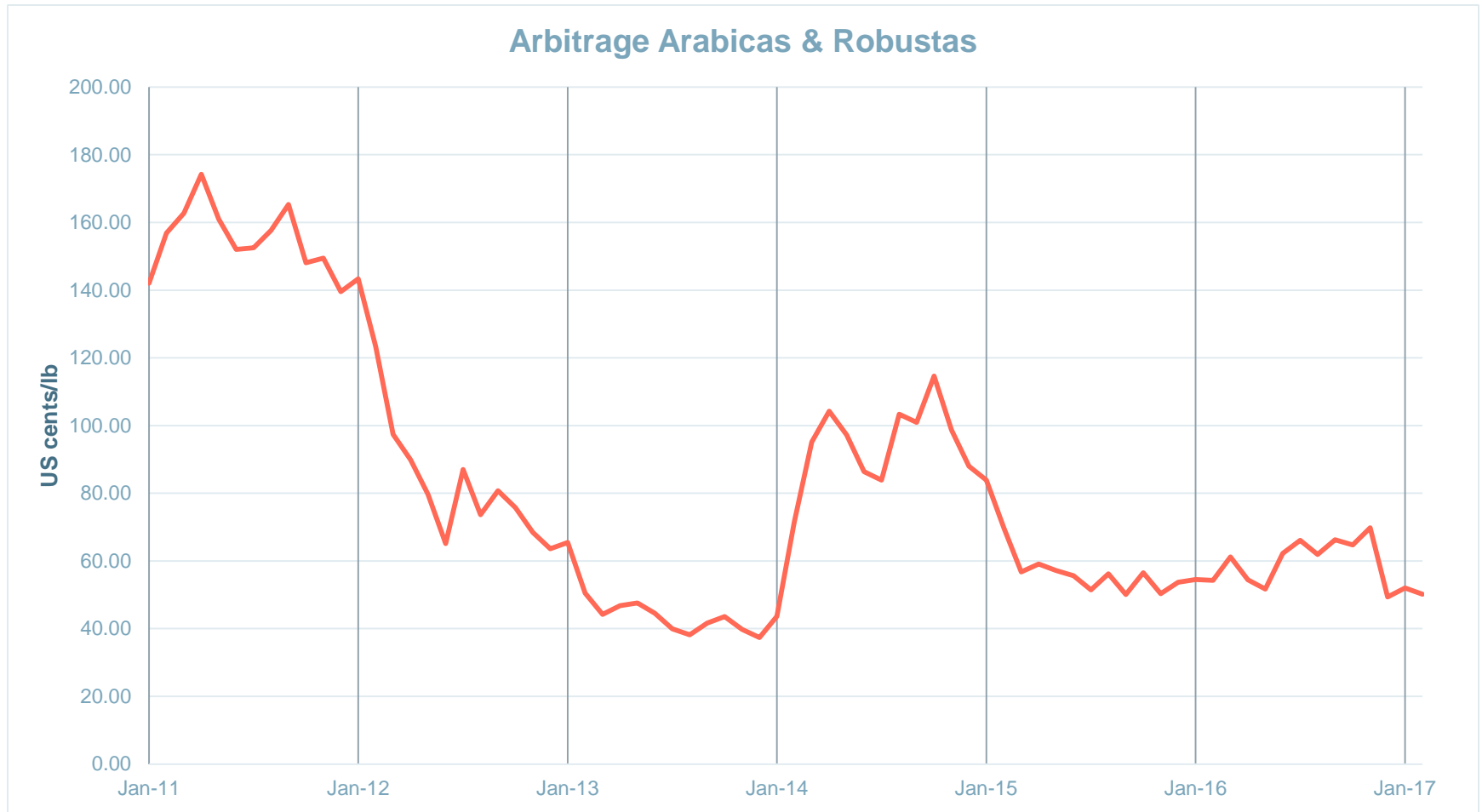
ICO Group Indicator prices



Arbitrage: Arabica/Robusta

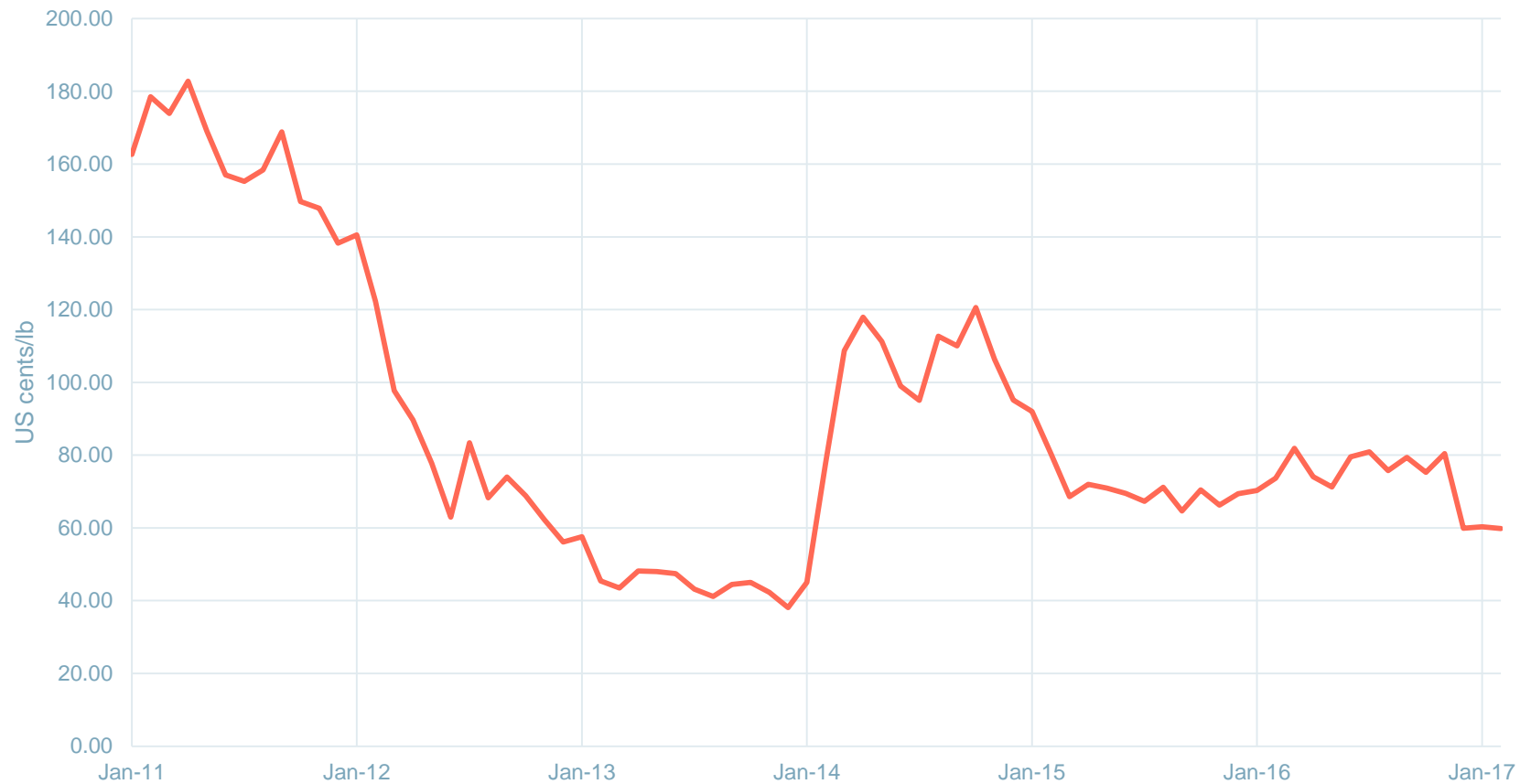


Arbitrage: Arabica/Robusta



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Arbitrage Arabica/Robusta



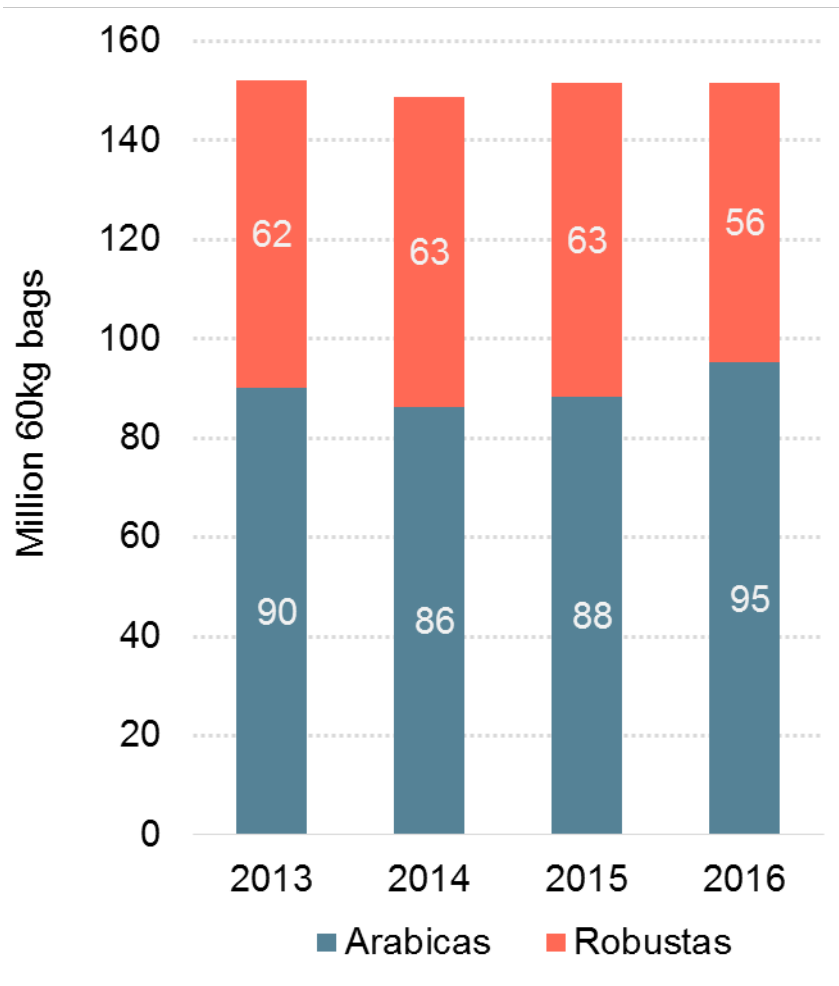
So, why the current trend?





Supply & Demand

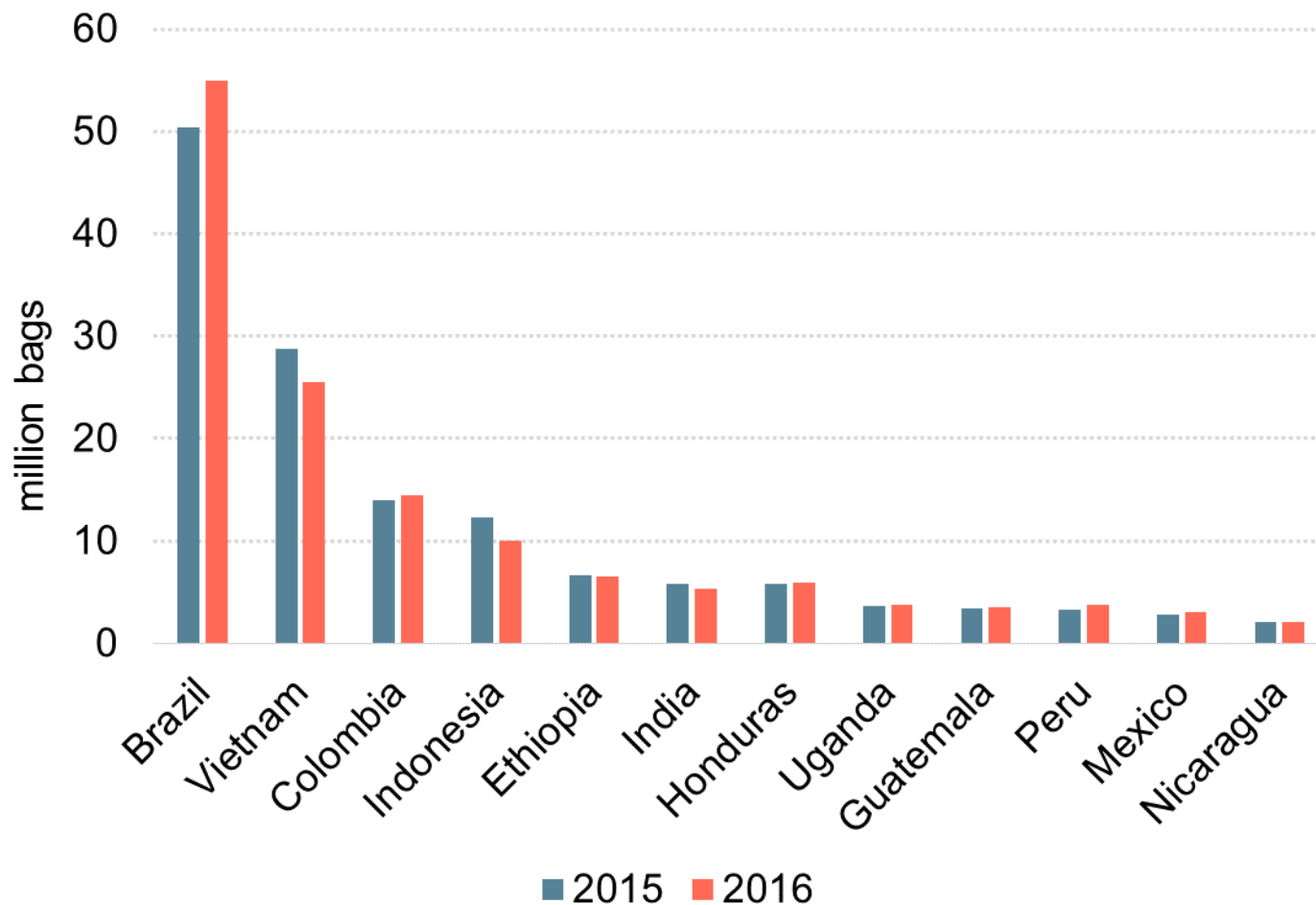
World coffee production



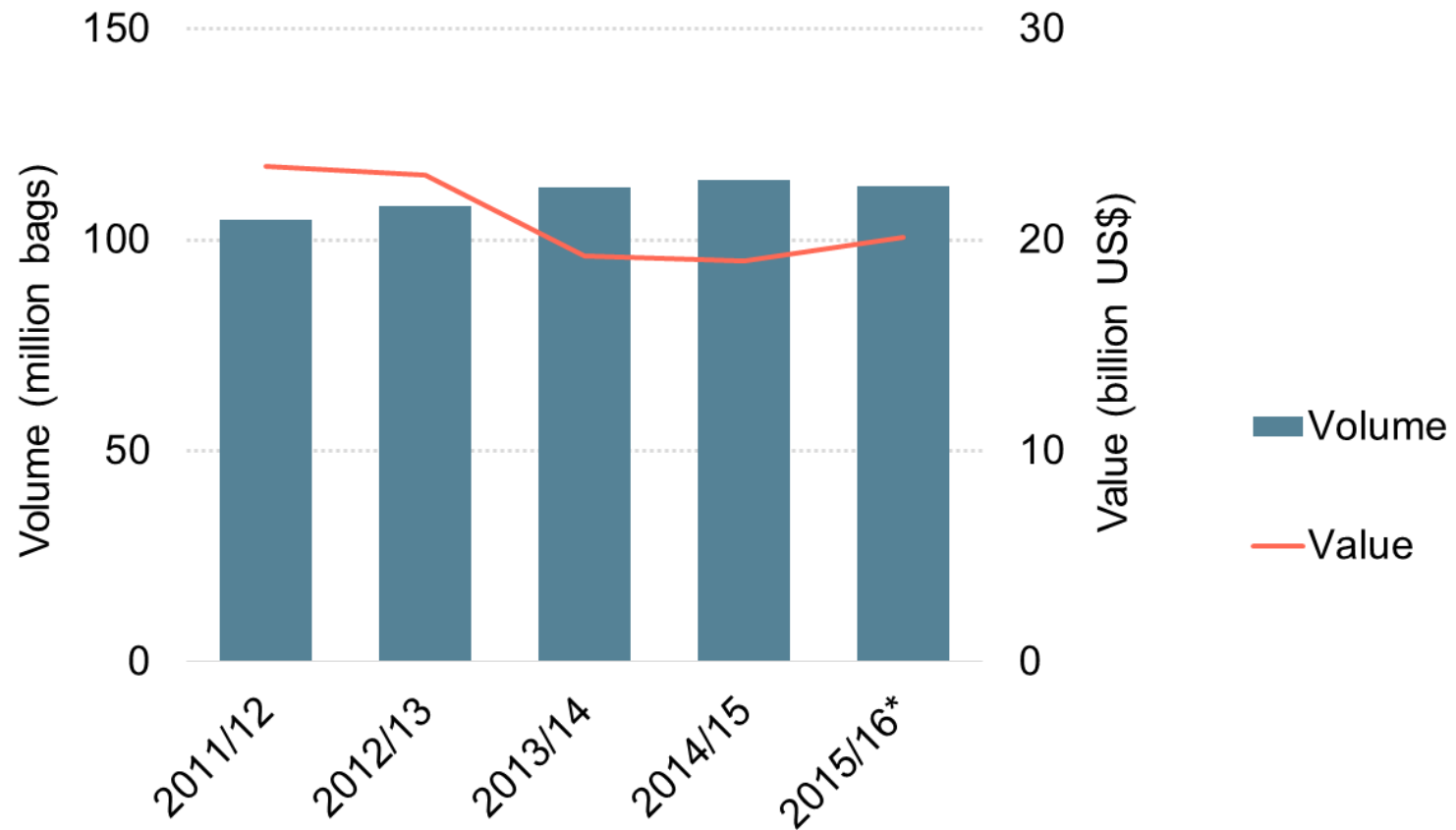
- 151.6 million bags in year 2016/17
- 0.1% increase on 2015/16
- Arabicas ↗ 7.9%
- Robustas ↘ 10.7%



Production in major exporting countries over the last 2 crop years



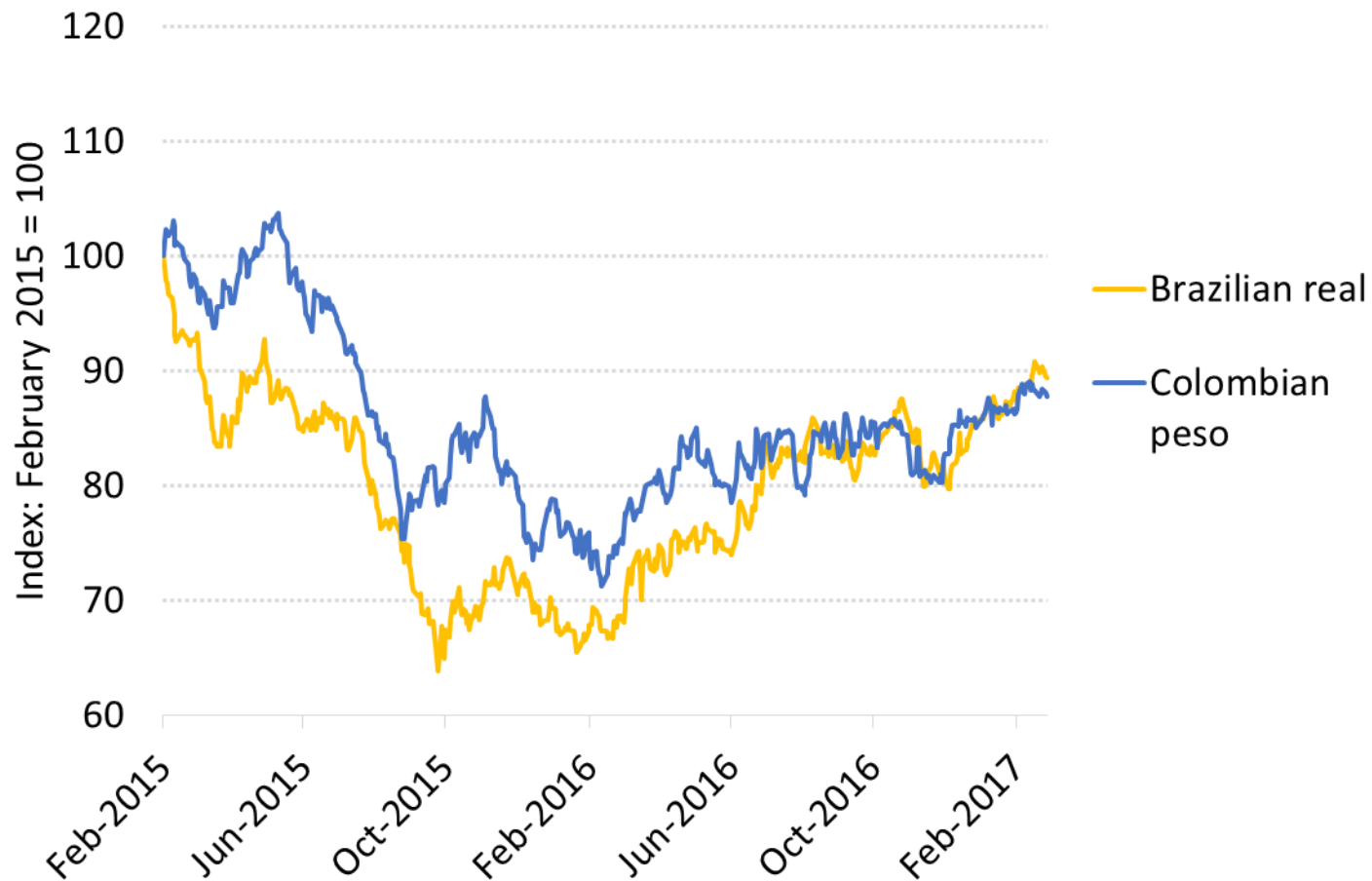
Exports: value & volume



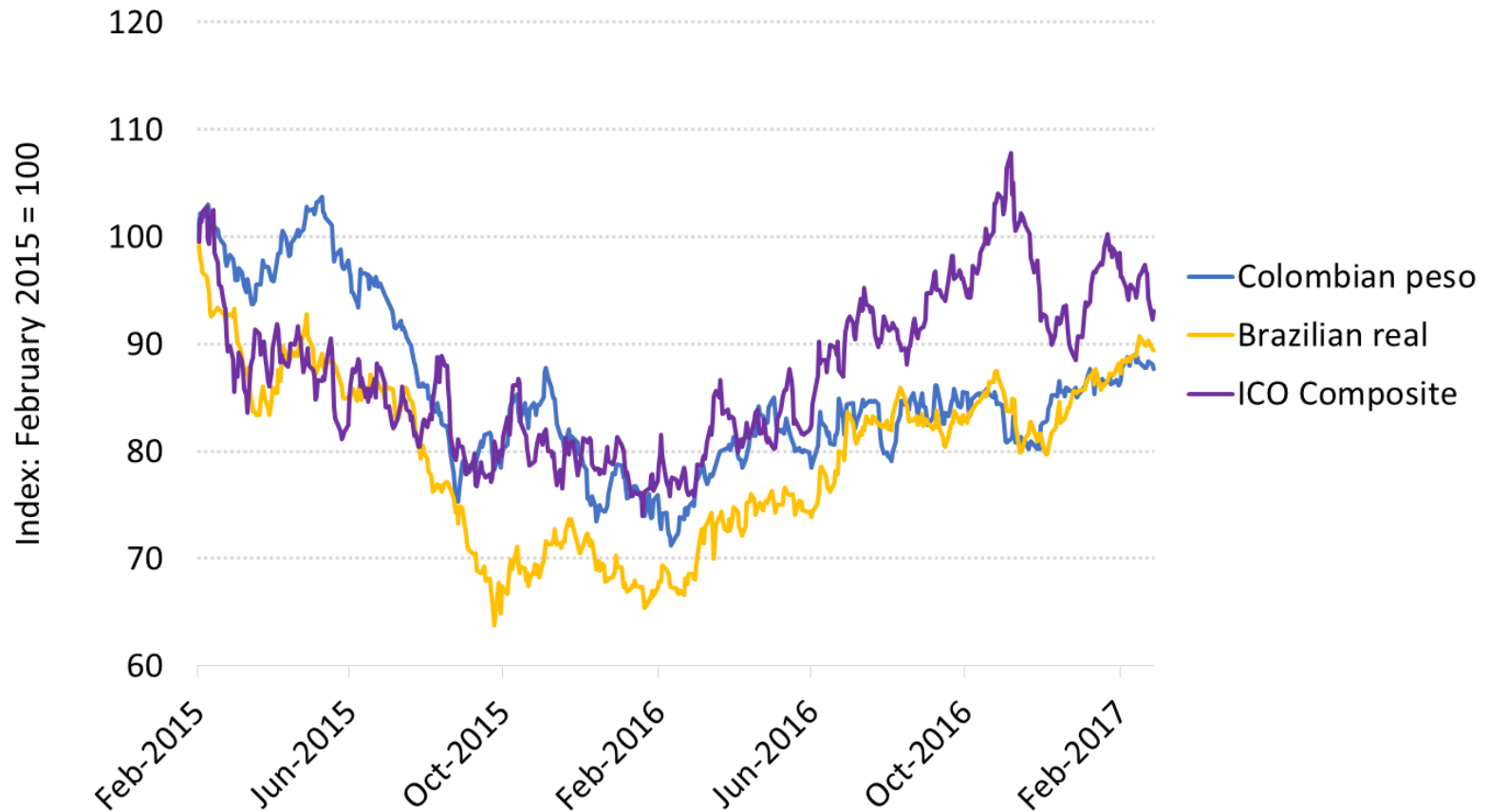
* estimated



Movements in exchange rates (Local currencies against US\$)

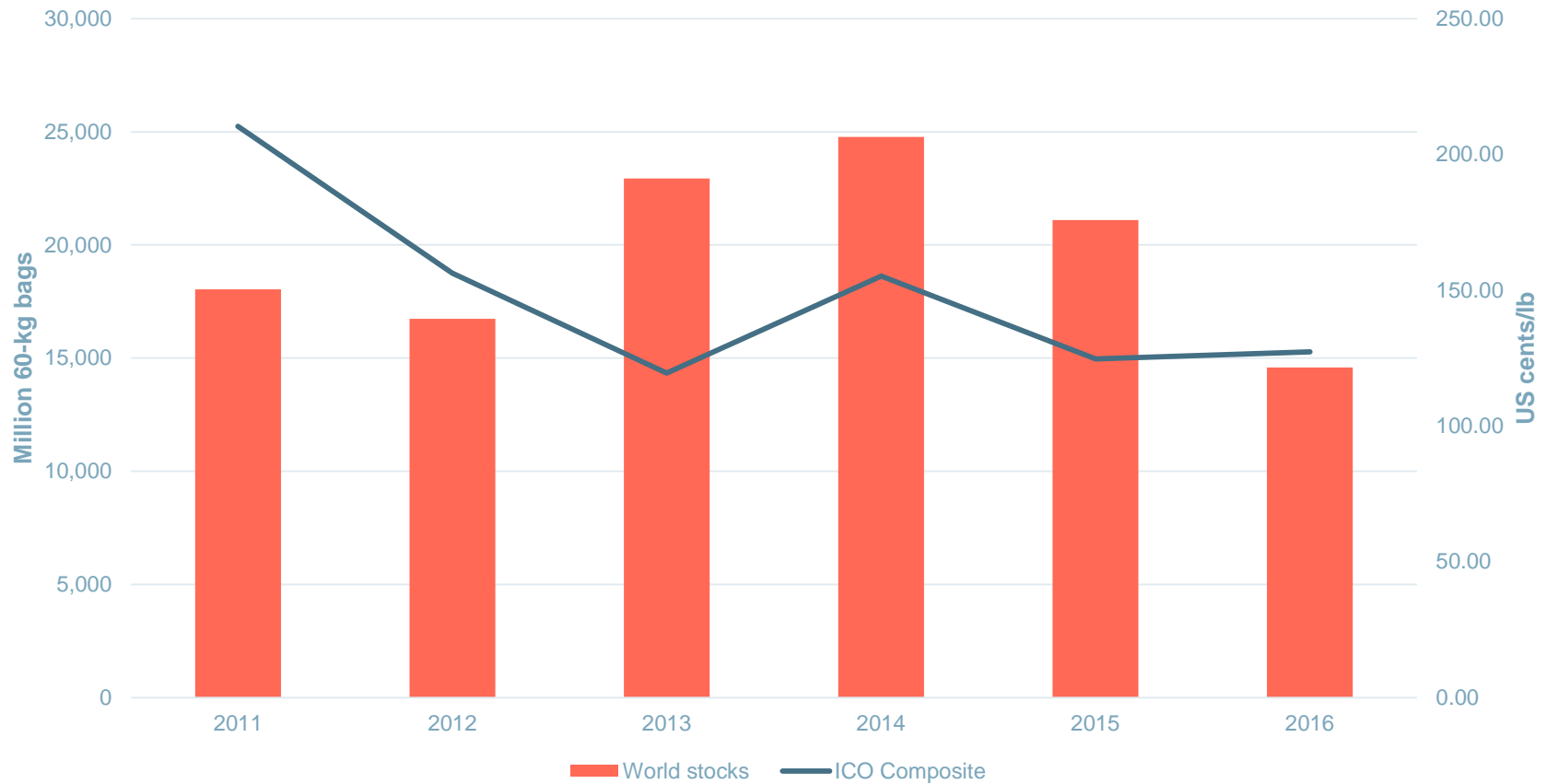


Currency depreciation compared to Coffee price

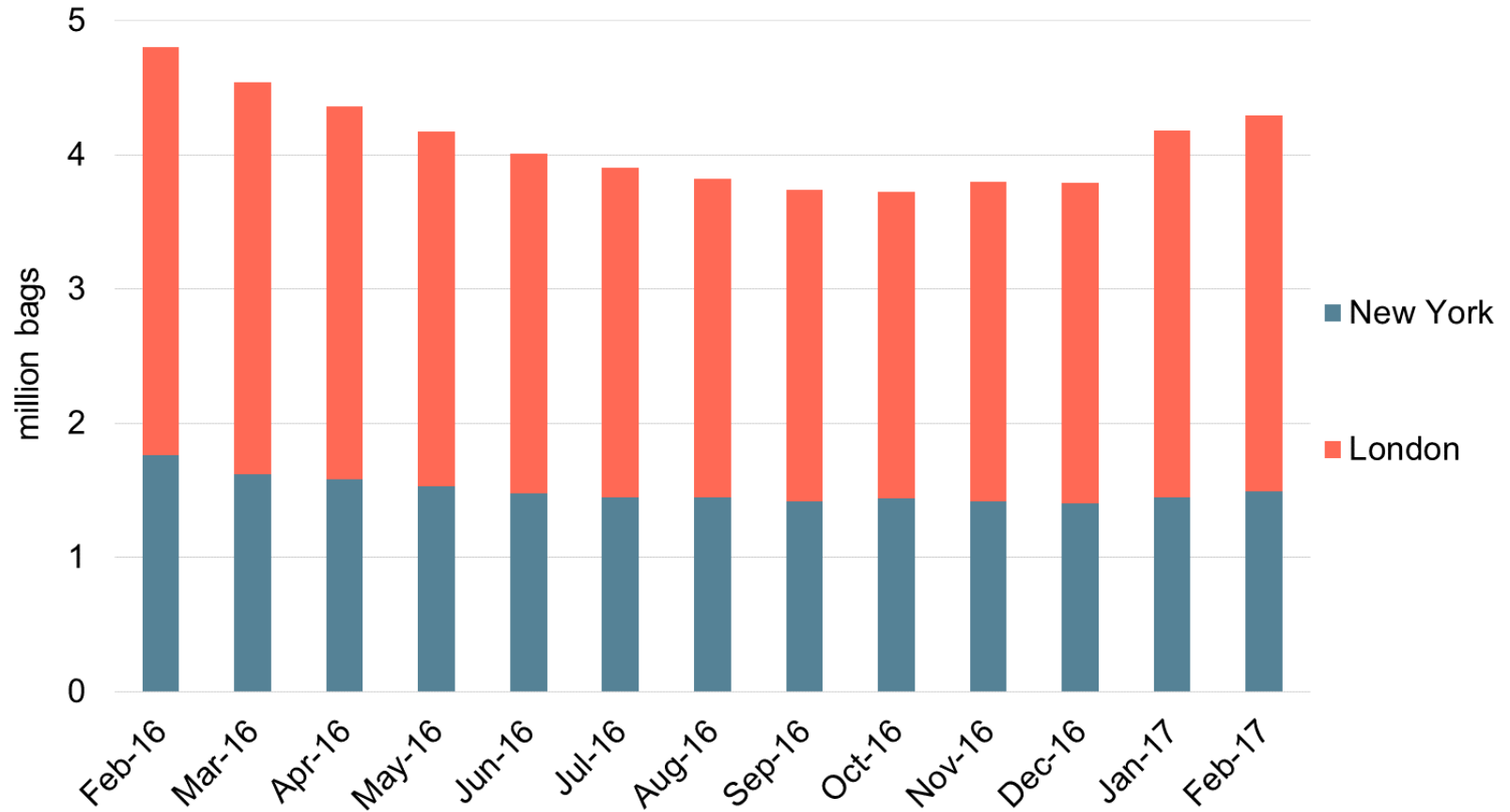


Relation between stocks and prices

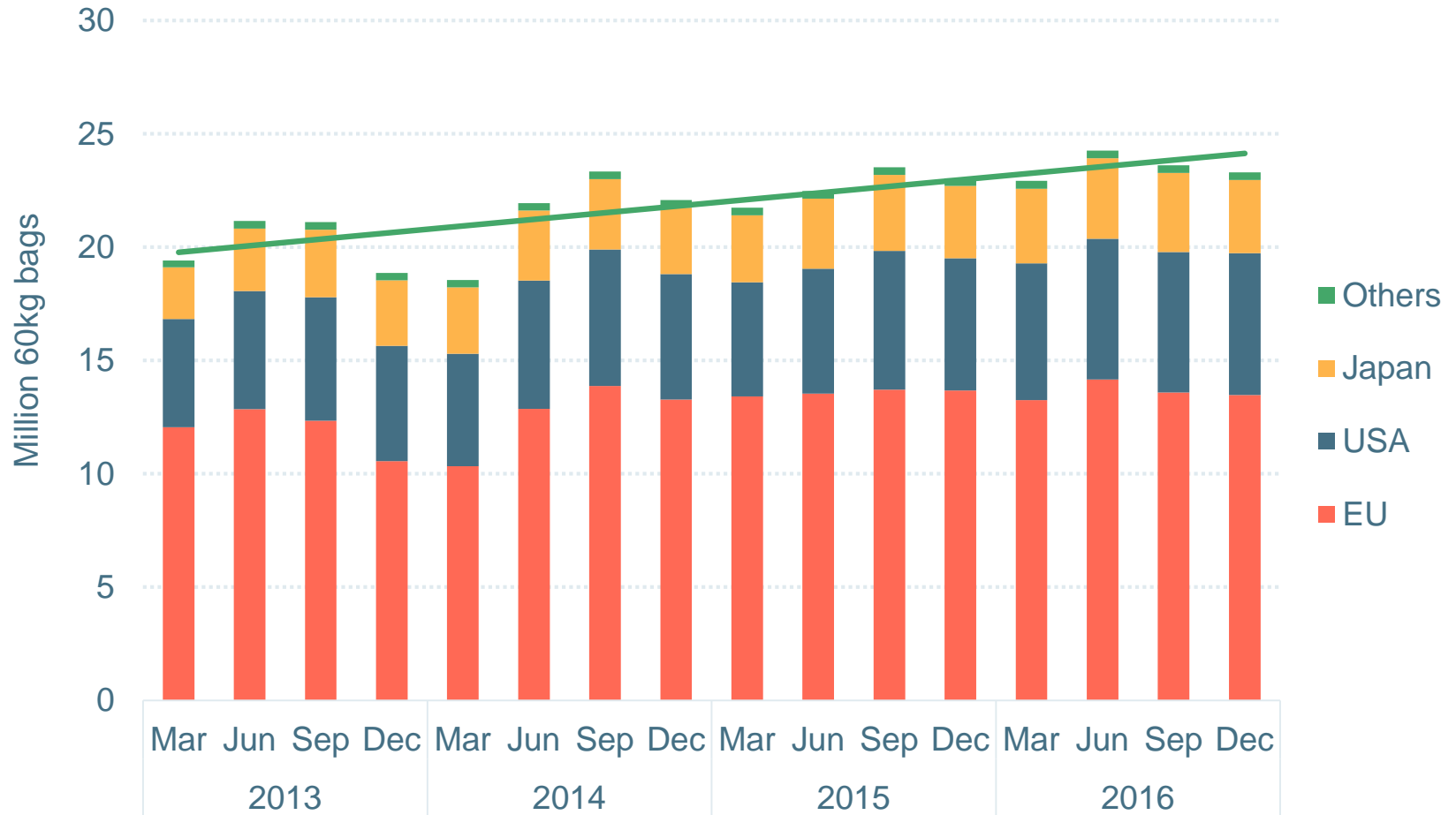
Opening stocks and ICO Composite price (annual average)



Certified stocks on the NY/LN futures markets

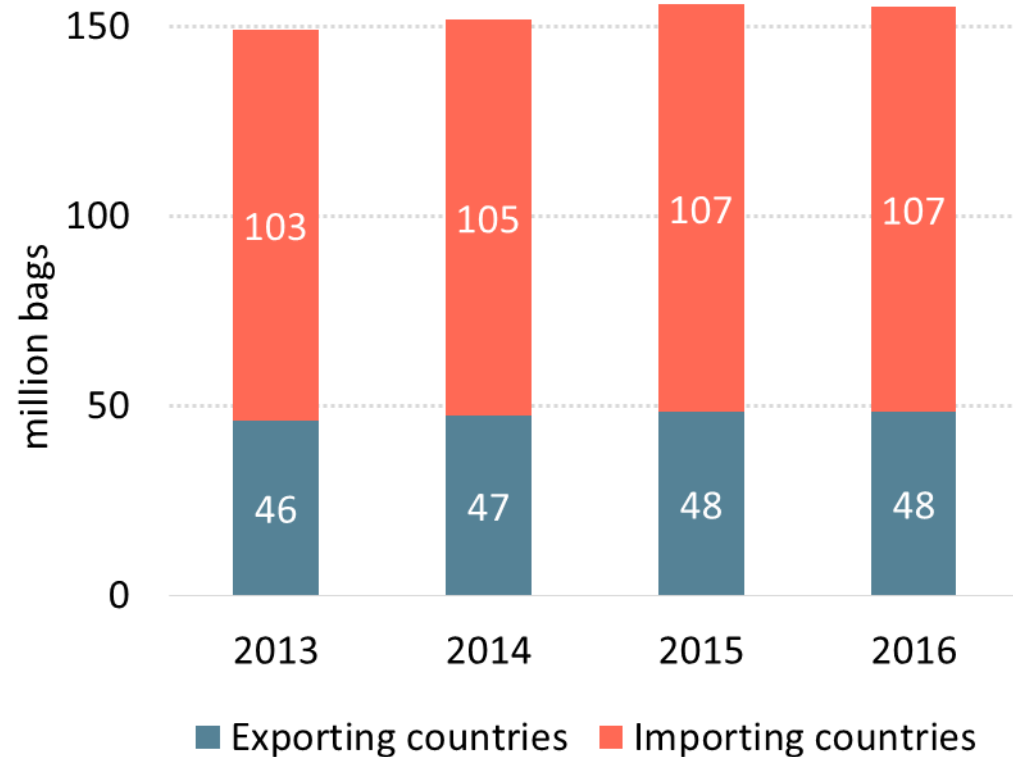


Inventories in importing countries



World consumption

- Estimated stable at 155 million bags (-0.4% compared to 2015)
- Still strong demand but not in all traditional markets
- But biggest potential is emerging markets and exporting countries



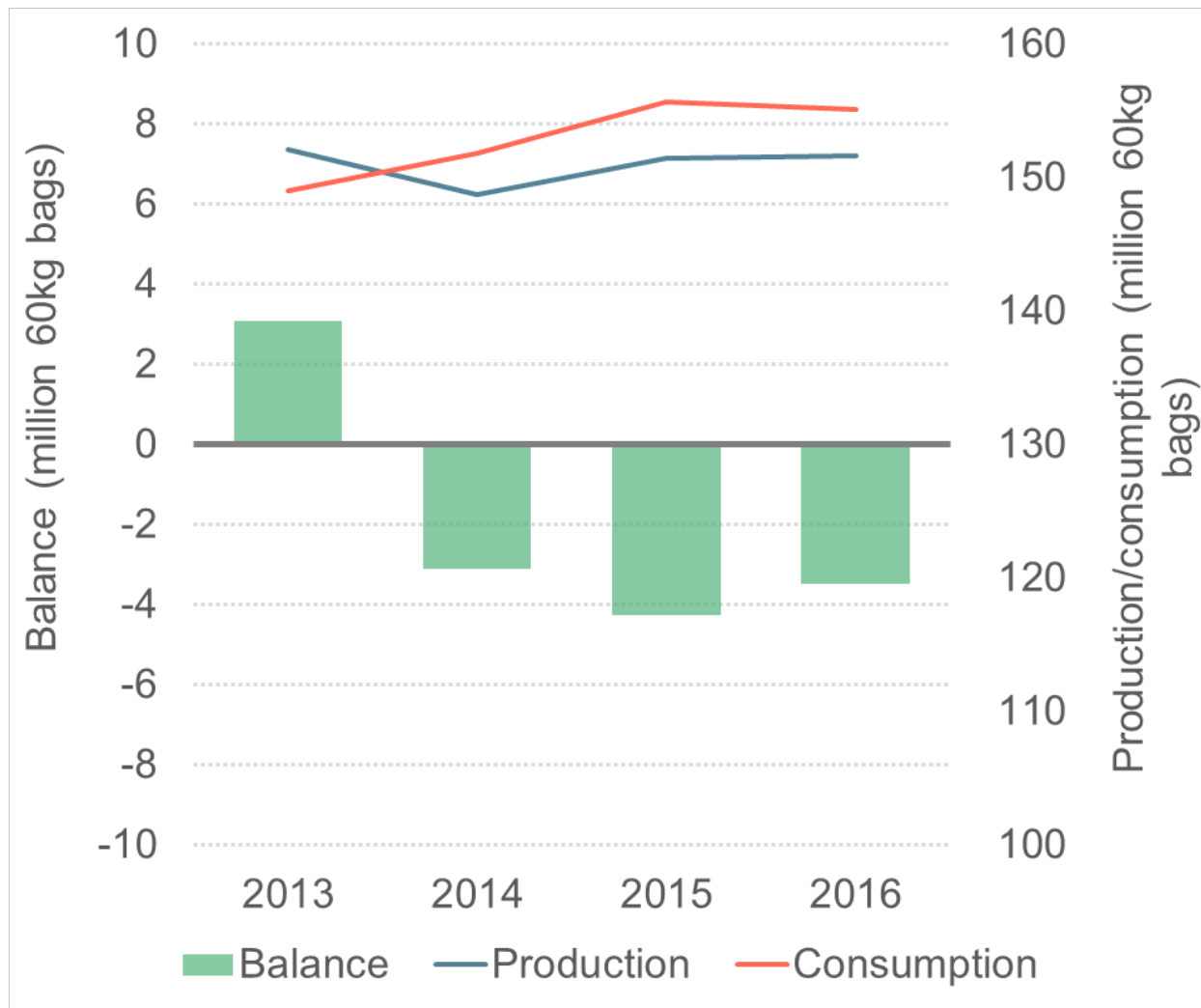
A scenic view of a coffee plantation with a large red circular overlay containing the word 'Conclusions'. The background shows a lush green landscape with coffee plants in the foreground and a forested hillside in the distance under a blue sky with a few clouds.

Conclusions



Balance

Supply/Demand Balance



Concerns for Robusta alleviated?





**INTERNATIONAL
COFFEE
ORGANIZATION**

Thank you