

Month	Settle	Daily Change	Weekly Change	%Change This Week
23- Jul	\$1.8285	-0.0015	-0.0520	-2.92%
23- Sep	\$1.8065	-0.0020	-0.0495	-2.88%
23- Dec	\$1.7880	-0.0020	-0.0495	-2.94%
24-Mar	1.7875	-0.0020	-0.0490	-2.99%

## Coffee Market

The C market fell to the bottom of the recent range, posting its lowest close in a month. Prices lost almost 3% week to week as the market saw continued speculative pressure. Longs continued to liquidate against a weak macro picture. There remained decent buying interest from the industry as prices neared 180, which kept the market in familiar territory. There remained little interest on the other side of the market from producers. There remains little “coffee news” so to speak. Some buzz this week around expectations for a strong El Nino weather pattern to impact markets through the end of the year. This could lead to drier/hotter weather in major growing areas but obviously that remains to be seen (but it is something to talk about!). Otherwise, more of the same. Sporadic physical business with differentials slightly firmer on the week. As mentioned above, the macro side of things put pressure on commodities across the board. Weak US economic data and continued global inflation concerns saw the Dollar strengthen and a risk off stance from larger funds.

Technically the market is leaning a bit negatively in the near term but not with a particularly strong bias which is very indicative of the range bound action over the last few weeks. Prices continue to hover close to strong technical support into Fibonacci retracement levels however the short-term chart patterns are suggesting a push lower toward 180/175 could be forth coming. That said longer-term patterns still see potential for the market to see prices toward the 215/220 level over the coming months. Would continue to see value in prices below 170 to extend coverage but otherwise would continue to remain sidelined if possible. Any sustained prices below there would likely be into early next year if the overall supply/demand balance develops in line with current expectations.

## Tea Market

A similar story this week and better qualities saw decent demand, but lower qualities continue to see little to no interest. Stocks of these qualities are building, and this could provide serious headwind for prices even as seasons wind down in the Southern hemisphere. Asian output has increased with timely rains and demand has been good overall. African demand has not, however. As mentioned last week, eyes will be on Egypt and Pakistan currency issues and imports as the market nervously eyes the growing excess inventories.

