

Month	Settle	Daily Change	Weekly Change	%Change This Week
22-Dec	\$1.5775	+0.0115	-0.0240	-1.50%
23-Mar	\$1.5815	-0.0055	-0.0445	-3.01%
23- May	\$1.5895	-0.0045	-0.0425	-2.88%
23- Jul	\$1.5945	-0.0035	-0.0415	-2.87%

Coffee Market

A fairly quiet week for the C market. Prices drifted back toward recent lows on light overall volume, losing about 3% week to week. After short covering last week larger funds were much quieter though still sitting net short overall. Industry buying remains at the lows (and lower) but did not follow the market higher last week. Scattered sellers were noted on the week, and it did not take too much effort to push three-week lows. At this point a sense of apathy seems to be building with little to talk about from a fundamental perspective and the holidays looming. Physical business remains rather quiet though there seems to be a little more discussion around differentials and forward interest. Overall differentials firmed a little over recent weeks from Colombia and Brazil, while Central American differentials seems to have eased slightly with harvests underway. The Brazil crop continues to see good weather. Central American crops have been delayed but picking up activity. Overall expectations are for output to be unchanged to slightly lower than last year. The macro picture provided some light pressure on commodities overall amid some slightly disappointing inflation data and generally choppy conditions.

Technically the market settles with a weak negative bias and sitting near the middle of the last few weeks range. The decline from last week's high does not appear to be impulsive from a pattern perspective and it is increasingly likely that a range develops over coming weeks bound by the recent lows and 185 or so on the upside. Bigger picture there may certainly be a little more downside to the move, but longer-term chart patterns are still suggesting that the market would find a low near current levels to return toward 190/200 over the months ahead. Would continue to view prices near current levels as good value to secure needed coverage through the first half of next year. Beyond that would be more patient and let things develop further on the fundamental side of the equation. Would expect holiday mood to take hold soon.

Tea Market

We continued the familiar story this week in the Tea markets around the world without much news or macro changes to speak of. Demand continues to mirror quality in almost every origin and unfortunately, the unsold lots continue to pile up in Africa and North India. There are reports of continued tightness in supply as most origins are predicting a decline in production versus 2021 but lower and uncertain demand has tempered any dramatic price increases. Argentina is off to a slow start but rain and warmer days are in the forecast so that should help things along which should keep things in balance on the supply side going in to 2023.

