

Month	Settle	Daily Change	Weekly Change	%Change This Week
23-Mar	\$1.5480	+0.0020	+0.0310	+1.65%
23- May	\$1.5575	+0.0025	+0.0320	+1.70%
23- Jul	\$1.5630	+0.0035	+0.0310	+1.67%
23- Sep	\$1.5640	+0.0030	+0.0295	+1.47%

Coffee Market

The C market posted modest gains in a holiday shortened week. Prices rose just under 2% week over week. Speculative activity still dominated but volume was lighter, and more industry buying was noted. With the index rebalancing complete last week there was some light speculative selling noted early on. From there specs were buyers overall as some entered the long side of the market, betting against the fairly sizable, short that has been built over recent weeks. With little news in the market, it seems likely that volatility may increase over coming weeks with specs lining up on both sides of the market. From a fundamental perspective there isn't much to talk about. The Brazil crop continues to develop well overall though some industry sources are starting to back away from the idea of a bumper crop and looking for the supply/demand balance to remain near deficit levels. While it is far too early to have confidence around that, expectations of a bumper crop (70mm plus bags) seem a bit optimistic in general. Differentials have jumped over the last two weeks out of Brazil for no discernible reason, perhaps optimism is waning there as well. Otherwise, differentials remain stable over recent weeks while physical activity remains light. The macro picture provided little direct input, commodities in general were modestly mixed.

Technically the market is turning from an oversold state to a more neutral stance. Indicators have yet to generate any real buy signals but are well off their lows. Back-to-back Doji on the candlestick chart underscores short term indecision as well. From an Elliott wave perspective, it remains early to say but the market may have completed a major corrective pattern off last year's highs into last week's lows. So, from these perspectives would continue to view current levels as good value to extend coverage on a measured basis. Adding a fundamental overlay to this view, a balanced to slightly positive/negative supply/demand outlook for the coming year does not point to substantially lower levels as being realistic. While this may not be bullish to the market would expect that continued losses are becoming less likely. Overall, would expect a range of roughly 140/180 to hold prices over coming months, and perhaps for the rest of the year, barring any major developments.

Tea Market

Volume was down this week across the board with very little price movement that is most likely due to the combination of an ending holiday season in the States, the upcoming Lunar New Year, and continued talks of an upcoming global recession. Production is progressing nicely in Argentina and following seasonal norms elsewhere so no red flags there other than the risk that the excess inventories will continue to pile up at origin and destination alike. The logistics situation across the World is beginning to see some stabilization and return closer to pre-pandemic levels so the outlook is positive in that aspect.

