

Month	Settle	Daily Change	Weekly Change	%Change This Week
23- May	\$1.7050	+0.0070	-0.0875	-4.88%
23- Jul	\$1.6970	+0.0070	-0.0860	-4.80%
23- Sep	\$1.6845	+0.0070	-0.0805	-4.56%
23- Dec	\$1.6725	+0.0065	-0.0725	-4.07%

Coffee Market

The C market saw two-month lows trade on lackluster volume. Much of the movement was, again, provided by larger speculators trading back and forth. On the week, long specs liquidated a bit against a quiet background and the market lost about 4%. There was some industry buying interest into the lows which provided a late bounce this afternoon. Despite an eighteen-cent range the activity felt lackluster. Physical activity remains quiet and sporadic. Differentials have eased slightly but failed to generate any notable interest. Much of the industry seems to be in a wait and see frame of mind for any forward needs. There remains a vacuum of coffee related news. The Brazil crop is developing quietly. Focus should turn to weather watch over the next three or four weeks but there is little to expect until then. Little input from the macro picture. Commodities in general were quite mixed on the week.

Technically it was a bit of a mixed bag this week. Today's late bounce generated a few weak buy signals but would not necessarily suggest a rally is imminent. Chart patterns still look corrective off the February highs but still suggest further near-term losses are likely. That said we are trading close to what should prove the bottom end of the range for the coming months. Assuming a rough trading range of 150-190 for the remainder of the calendar year, current levels are kind of neutral territory. Near term would expect a test a bit lower within the range and would view prices toward 160 as value to extend needed coverage. Otherwise, would try and sit tight over the coming weeks until the weather reports start to flow.

Tea Market

Demand was noticeably down this week due to Ramadan and prices continued the same trend of following quality. There were good rains in North India that should bring on the First Flush soon and the crop looks optimistic although more rains are needed as reports are coming out of a low output in the months of February and March. Argentina has also been a pleasant surprise with higher-than-expected yields thus far despite less than ideal weather and a negative sentiment going in to the crop season this year, although it's still lower than the past few years. Overall, most origins are seeing a relatively positive outlook on crop yields this season, but this is not welcome news to those origins that still have a glut of lower quality teas that have not been able to find a home. There's plenty of tea around but the issue is many of the higher qualities do not enjoy this surplus, so the market dynamics are very different depending on the quality you're looking for.

