

Robusta Coffee 10-T Futures Market News and Commentary

Coffee Sees Downward Pressure from Demand Concerns

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May arabica coffee (KCK22) on Monday settled unchanged, and May ICE Robusta coffee (RMK22) closed down -3 (-0.15%).

Coffee prices on Monday closed steady to slightly lower as they consolidated above last week's lows. Arabica fell to a 2-month low last Friday, and robusta dropped to a 1-month low last Thursday on concern that the spike in energy prices caused by Russia's invasion of Ukraine will derail the global economy. A slump in the economy could curb consumer spending and reduce coffee consumption as consumers tighten their belts and limit their visits to restaurants and cafes.

Losses in coffee prices Monday were contained by dryness in Brazil's largest coffee-growing region. Somar Meteorologia reported Monday that Minas Gerais, a region that accounts for about 30% of Brazil's arabica coffee crop, received 4.8 mm of rain or only 8% of the historical average last week.

A bearish factor for robusta is larger shipments from Vietnam after Vietnam's General Sta..