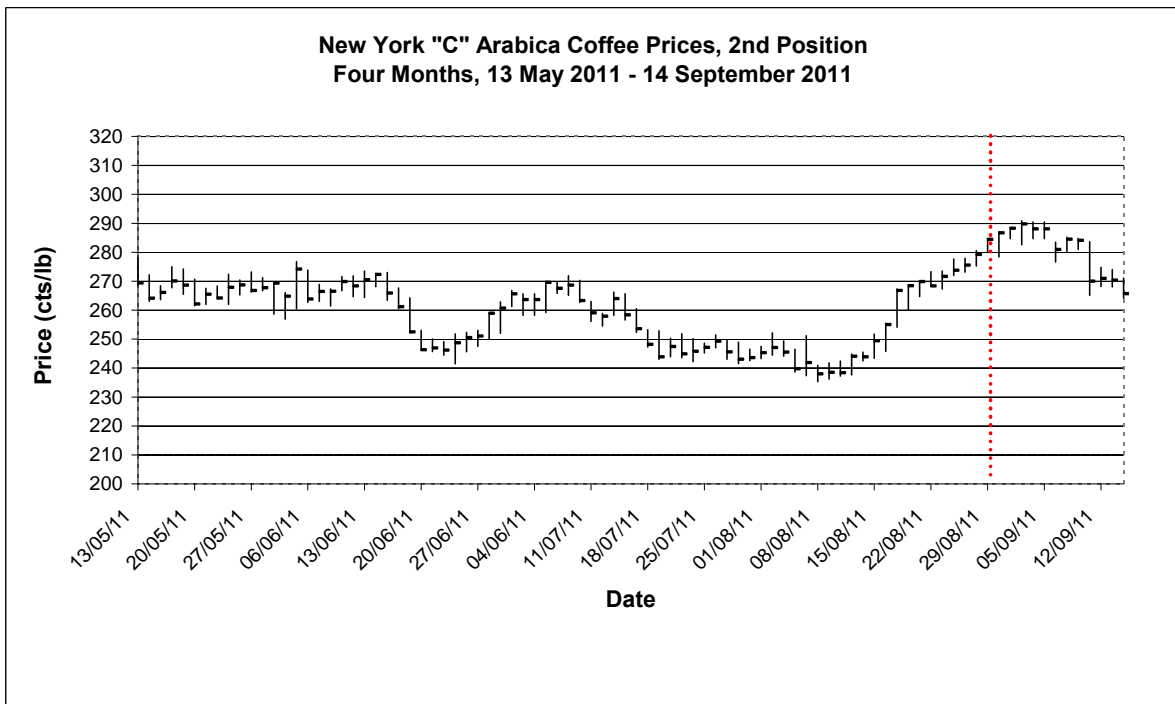




DOWN WITH A BUMP!



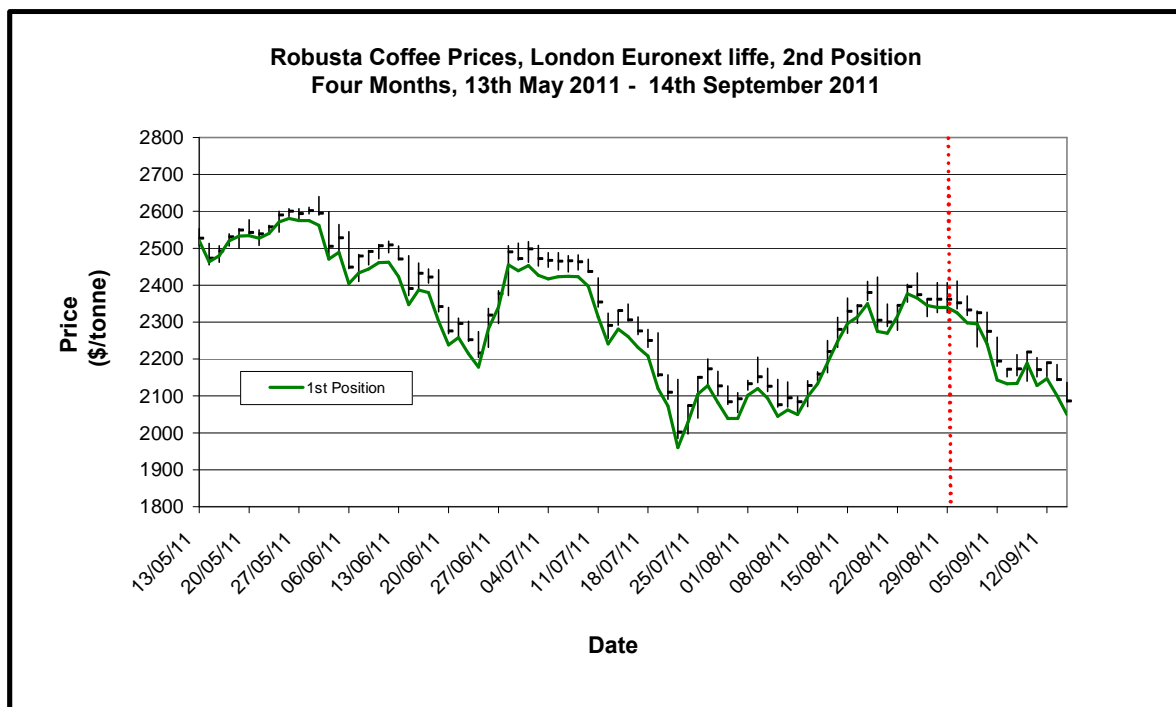
COFFEE PRICES: REVIEW AND OUTLOOK NY ARABICA 'C' MARKET



REVIEW OF NY 'C' ARABICA MARKET 2 WEEKS ENDING 14TH SEPTEMBER 2011 & OUTLOOK FOR ARABICA PRICES

Following the aggressive price rally in the second half of August, the market was looking for a downward correction. When it came it was brutal – 14c/lb in one day and around 20c/lb over all to just below 270. The market has found some support at the lower end of the 260s which provides the key area of support that is likely to be tested over the coming sessions. If it finds enough support then a bounce back to the mid-270s is possible. The macro economic environment with news on Eurozone financial troubles and politicians efforts to soothe investor nerves can provide a catalyst for direction. More troubles and the market will come under more pressure. An easing of concerns tends to see renewed appetite for risk. Our view is for a 260-275 range, but with more possibility for a downward move.

LONDON ROBUSTA COFFEE MARKET



REVIEW OF EURONEXT LIFFE ROBUSTA MARKET 2 WEEKS ENDING 14TH SEPTEMBER 2011 & OUTLOOK FOR ROBUSTA PRICES

London robusta prices continued to decline, breaching support around 2150 and then moving quickly down to the 2050 area (against November 2011 position). Local prices in Vietnam fell in line though selling was slow as cheaper offers of robusta were to be had in the European spot market. With a large Vietnam crop coming up there is no fundamental reason to think that London will rally much, though a consolidation around and above 2000 is possible, particularly should the US dollar lose some of the gains it has made over the past few days.

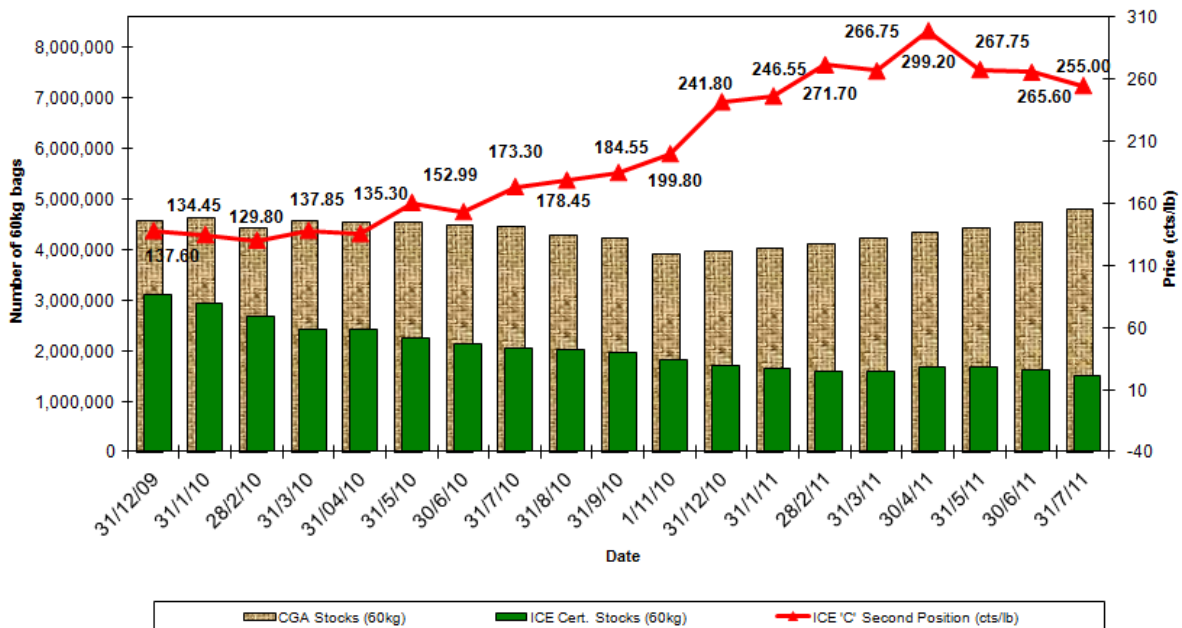
SUMMARY OF PRICE MOVEMENTS FROM 1ST - 14TH SEPTEMBER: 2ND POSITION

	Period High	Date	Period low	Date	Settle on 31 st August	Settle on 14 th September	Overall Change + / -
ARABICA Sep 11 NY Cts/lb.	290.85	01/09/11	264.10	14/09/11	288.25	265.70	-22.55
ROBUSTA Sep 11 London US\$/ton.	2371	31/08/11	2084	14/09/11	2333	2086	-247
ICO composite price Arabica and Robusta cts/lb					232.79	216.53	-16.26

NY CERTIFIED STOCKS AND GREEN COFFEE ASSOCIATION STOCKS

	31/08/11	14/09/11	Change
NY Certified Stocks (60kg bags)	1,467,480	1,442,845	-24,635
Pending Grading	11,946	12,268	+0,322
GCA Stocks (60kg bags) Next release of figures 15 th Sept	29/06/11 4,559,795	31/07/11 4,811,817	+252,022

**GCA Stocks with ICE-Certified Stocks and ICE 'C' Arabica Prices (2nd pos.)
18 months, December 2009 - July 2011**



RECENT DIFFERENTIALS

Accurate differentials are more difficult to establish with more business being executed on fixed price bases. These are estimated conventional prices. They do not represent the higher differential paid for specialty grades. All prices are FOB against New York (Arabicas) or London (Robusta) Futures:

ORIGIN	QUALITY	SHIPMENT	DIFFERENTIAL	
ARABICA				
BRAZIL	NY2/3 17/18 GC	Sep-Dec	NYC	-15
BRAZIL	S/W NY2 MTGB FC	Sep-Dec	NYC+	-1
COLOMBIA	EXCELSO EP	Aug-Nov	NYC+	20
PERU	MCM 22 DEFECTS	Aug-Nov	NYC+	-3
COSTA RICA	SHB	Dec-Mar	NYC+	28
COSTA RICA	HB	Jul-Aug	NYC+	n/a
EL SALVADOR	SHG	Dec-Mar	NYC+	8
EL SALVADOR	HG	Dec-Mar	NYC+	6
GUATEMALA	SHB	Aug	NYC+	18
GUATEMALA	HB	Aug	NYC+	16
HONDURAS	SHG	Jan-Mar	NYC+	4
HONDURAS	HG	Jan-Mar	NYC+	0
MEXICO	HG	Jan-Mar	NYC+	11
MEXICO	PW	Jan-Mar	NYC+	6
NICARAGUA	SHG	Feb-Mar	NYC+	11
INDIA	Plantation A	Jul-Aug	NYC+	n/a
SUMATRA	GRADE 1 DP	Jul-Aug	NYC+	n/a
D R CONGO	KIVU 4	Aug-Sep	NYC	-18
RWANDA	ORDINARY	Aug-Sep	NYC	-10
RWANDA	F/W AB	Aug-Oct	NYC+	26
TANZANIA	AA NORTH	Oct-Dec	NYC+	50
TANZANIA	AB NORTH	Oct-Dec	NYC+	40
TANZANIA	AA SOUTH	Oct-Dec	NYC+	33
TANZANIA	AB SOUTH	Oct-Dec	NYC+	27
UGANDA	BUGISU AA		NYC+	n/a
UGANDA	BUGISU AB		NYC	-16
UGANDA	DRUGAR	Aug-Nov	NYC	-47
BURUNDI	F/W A	Sep	NYC+	20
KENYA	AB FAQ	Oct-Dec	NYC+	130
ETHIOPIA	DJIMMA 5	Aug-Sep	NYC+	-32
MALAWI	F/W AB	Sep-Oct	NYC+	50
ROBUSTA				
TANZANIA	BUKOBA FAQ	Sep-Dec	Liffe+	350
UGANDA	SCR 18+	Jul-Aug	Liffe+	320
INDIA	CHERRY A	Jul-Aug	Liffe+	270
VIETNAM	GRADE 2 5%	Jan	Liffe+	-25

© Twin, 2011. The next issue is due to be published on the 29th September 2011. For more information contact: Matt Horsbrugh, John Weaver or Joanna Lawson at: Twin, Tel: + 44 (0)20 7375 1221, Fax: + 44 (0)20 7375 1337, e-mail: joannalawson@twin.org.uk