

Dairy

Nuts

Inclusions

Chocolate

WORLD COCOA

TERMINAL MARKET

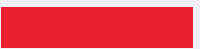
- **Due to the global health crisis** and a dire macroeconomic outlook, New York futures market prices plunged 15.5% in March and closed the month at 2,259 \$/MT (basis second position). From the peak at 2,935 \$/MT to trough at 2,201 \$/MT, the market shed a staggeringly 734 \$/MT or 25% of its value. Deflating by 165 \$/MT, the Jul-20/Jul-21 spread corrected along outright values. Over the last two weeks, the market has found a bottom and formed a base around the 2,250 \$/MT level.
- **A strong appreciation in the US-dollar** and long liquidation of speculators at record speed accelerated the move downward. Managed money funds are currently even short by 2.6k lots in New York. Due to a weak British Sterling, there is still a net long of 39k lots in London, potentially leaving the market vulnerable for a further correction, shall we see longer macro weakness.
- **Over the last four weeks the industry** has been very active and extended price coverage by more than 2 months as prices reached levels last seen in August 2019. A welcome feast after a longer period of dear price levels.
- **Butter ratios have slightly firmed** for nearby deliveries due to higher demand, given lower outright levels. Powder prices have been supported as well. Reports about some factories having slowed down or temporarily stopped processing have increased uncertainty on demand as well as supply.
- **With the market expecting a deficit in the 19/20 cocoa year**, possibly a large carry-over and presidential elections in Côte d'Ivoire in October 2020, there is a risk of futures market prices rebounding over the next few months. In the meanwhile, however, cocoa futures remain influenced by macro and currency.



PRODUCTION



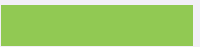
CONSUMPTION



STOCKS





WEATHER




SPECULATOR
ACTIVITY

* refers to world
cocoa supply and
demand

 Bullish

 Neutral

 Bearish



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