

DJ Brazil's Currency Trumps Fears About Coffee Crop -- Market Talk

1013 GMT Weakness in the Brazilian real continues to outweigh concern over the size and quality of Brazil's Arabica harvest, according to Capital Economics. Reports from Brazil, the world's largest coffee producer, indicate that the beans have been smaller than expected due to a drought last January. The reports pushed up non-commercial long positions, suggesting that the market thought prices would increase, but investors quickly reversed course to a net short position, or a bet that coffee prices will fall, Capital notes. The real has fallen almost 7.5% against the dollar in the last month. Coffee is denominated in dollars. In London, Robusta coffee futures for November delivery are down 0.31% at \$1,598/ton. (katherine.dunn@wsj.com)

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09-02-15 0613ET

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