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Brazil Coffee Weather

Showers To Briefly Expand Northward This Weekend

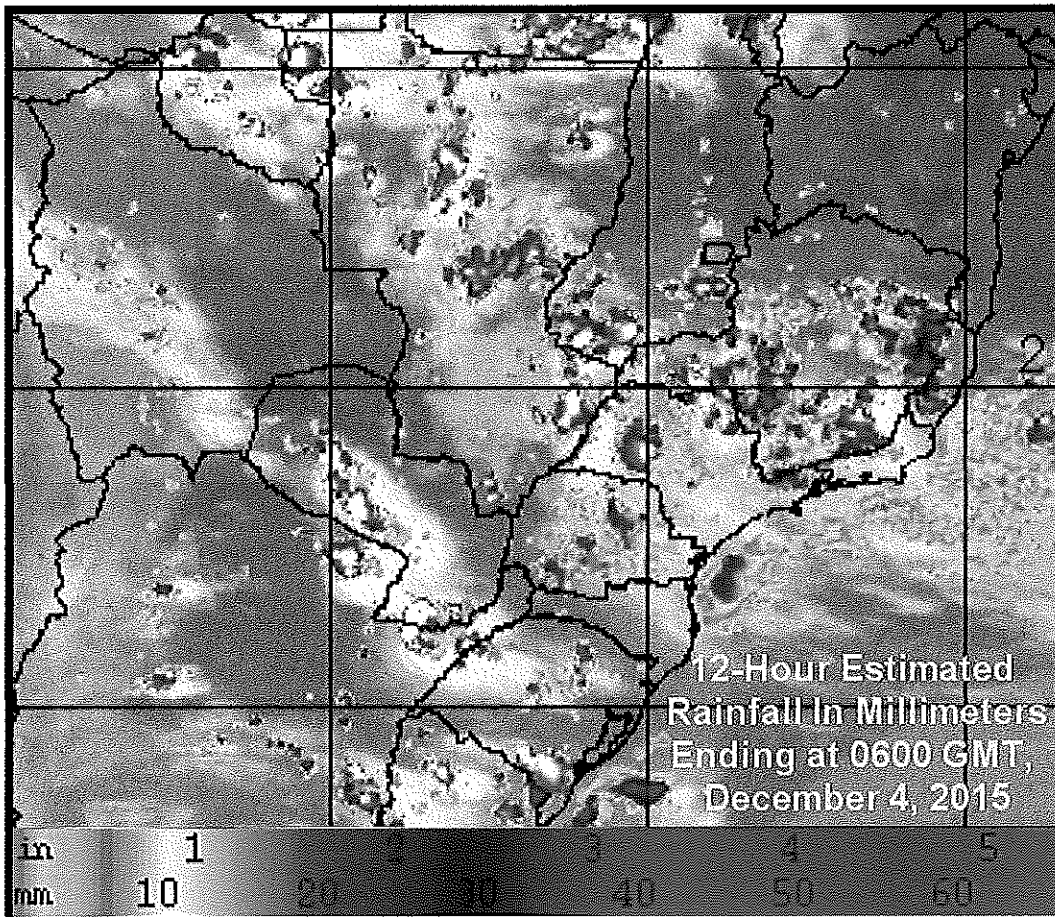
By Drew Lerner

Kansas City, December 4 (World Weather, Inc.) – Showers and thunderstorms scattered across portions of Brazil’s coffee country Thursday and a similar pattern will occur over the next ten days. The precipitation will briefly expand northward this weekend into Monday before retreating southward again during the remainder of next week. All of the precipitation will be welcome, but more will be needed in the north.

BRAZIL

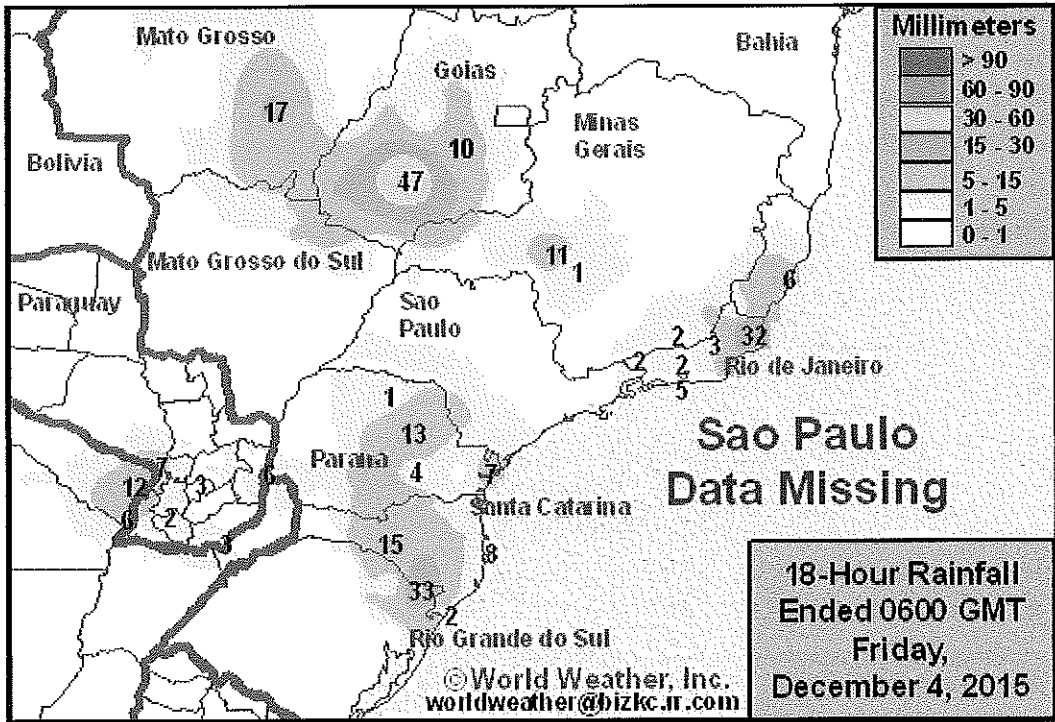
Rain fell from northernmost Sao Paulo coffee areas into Sul de Minas Thursday. Satellite imagery also suggested rain in western Espirito Santo into the interior parts of northern Minas Gerais. Rainfall was light varying from 1 to 11 millimeters most often, but a few locally greater totals were suspected from satellite interpretation. One location in northeastern Rio de Janeiro reported 1.25 inches of rain.

High temperatures Thursday afternoon were in the middle 20s to lower 30s Celsius from northern Parana to Sul de Minas, Zona de Mata and Rio de Janeiro while readings to the north were mostly in the 30s. Extreme highs of 35 to 39 occurred from northern Minas Gerais to central Bahia with the hottest reading of 41 in northeastern Minas Gerais.



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Today's forecast has not changed from that of Thursday. Rain will expand northward this weekend into early next week while rain continues in southern coffee production areas. Rainfall of 4 to 20 millimeters and local totals to 45 millimeters will be possible each day with the greater amounts expected close to the coast. Rainfall will concentrate on the region from Zona de Mata to Cerrado Mineiro southward into northeastern Sao Paulo. Rain that falls in northern Minas Gerais, Bahia and Espirito Santo will be most welcome after recent drying, but the amount of relief may be limited. The rain in northern coffee areas will retreat back to the south during mid- to late week next week.

Next week's rain from Tuesday through Sunday, December 13, will concentrate on the region from Espirito Santo, Zona de Mata and Rio de Janeiro to Cerrado Mineiro, Sul de Minas and northeastern Sao Paulo. Showers will be possible to the north and south, but resulting rainfall is not likely to be quite as great or quite as significant to coffee production in those areas. Daily rainfall will continue to vary from 4 to 20 millimeters with local totals to 45 millimeters with all areas affected multiple times supporting good coffee development conditions.

Precipitation in northern Minas Gerais, Espirito Santo and Bahia will be welcome this weekend into Monday, but it is doubtful that enough generalized precipitation will occur to fix the region's moisture deficits. Short term improvements in soil moisture are expected, but subsoil moisture and long-time water reservoir levels will remain well below average.

Temperatures will be seasonable over the next week to ten days from Parana to central Minas Gerais and Zona de Mata with daily highs in the middle 20s to lower 30s most

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days. Highs further north will be more solidly in the 30s with today, Saturday and Wednesday through Friday of next week warmest. Lowest morning temperatures will continue in the upper teens and lower to a few middle 20s.

A brief period of cooling is likely in northern coffee production areas during the rainier days Saturday through Monday, but the region will heat up again as it dries out later in the week.

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HC'15 opened today @ 120.00 (+.35)

HC'15 Current low: 118.75 (Support 114.00)

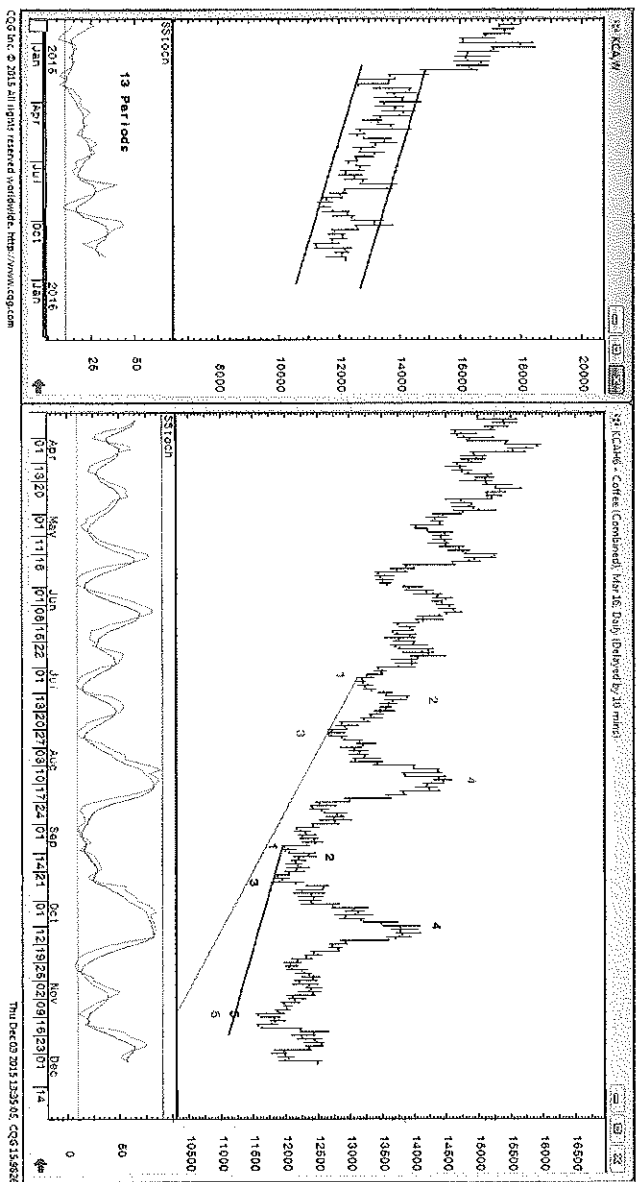
HC'15 Current high: 120.10 (Resistance 125.65)

The month of November came to close with ICE coffee falling for the 5th consecutive, and 13 out of the past 15 months. While London has had a better track record on the monthly charts, it nonetheless settled at a 25 month low with the knowledge that the managed money community holds a record short position 18,919 lots as of last Tuesday's close. A new corruption probe deepens in Brazil, which is sidelining opportunities for progressing on a sorely needed economic agenda. Weakness in the real proved to be a tough headwind for coffee prices as the currency fell to a one month low of 3.92 \$/r, putting the kibosh on any optimism for a price lift, as November closed its books.

Net non-commercial fund position came in short 26,297 lots, a reduction of 9,809 from the prior week.

Coffee** Weekly and Daily Mch

Support 11150. Resistance 12950 then the open gap at the 13600-13710 range. Our short term read on Monday was that prices would likely experience additional lower probing following the range expanded sell-off. That did not materialize and as we look across the performance of commodity prices in the last couple of sessions, we are wondering if a multi-market low is at hand. If it is, then it is clearly the euro/dollar relationship as today's reversal which was perhaps the short term key. Today's rally had a positive impact on the daily chart as well as on the weekly and daily momentum indicators. A March close over 12660, the recent rally high, would be a strong short term positive.



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