

By Julie Wernau

Coffee prices bounced higher Friday, but shed much of those gains as the dollar, which initially weakened against the Brazilian real, reversed course.

Arabica **coffee** for December delivery rose 0.3% to end at \$1.4485 a pound on the ICE Futures U.S. exchange.

The dollar weakened broadly across a basket of currencies after Federal Reserve Chairwoman Janet Yellen said in prepared remarks that she saw a strengthening case for a near-term rate increase, but traders looking forward said they didn't see evidence in Ms. Yellen's remarks that rates will rise significantly in the long term.

When the dollar weakens against the Brazilian real, producers in the world's largest growing region are more prone to wait for a more favorable exchange rate for their dollar-denominated goods. The dollar was down 1.1% against the real before reversing course and was up recently by 1.1%.

Weather news has also been driving the **coffee** market, with photos circulating of an early flowering of **coffee** trees supporting prices to prevent a sell-off.

"The main reason why **coffee** has been very well supported is because there are signs of early flowering. If we don't have further rain, those flowers will die and they contain what will be the **coffee** cherries," said Carlos Mera, senior commodities analyst at Rabobank.

Still, Mr. Mera said he is bearish regarding **coffee** prices as known stockpiles of the beans are high in Europe, the U.S. and Vietnam.

ED&F Man's Volcafe said in a note Friday that with little new relevant coffee news, prices have lost a clear direction. The arabica harvest in Brazil is 90% complete, the firm said, and it is still too early to glean much information about the 2017 crop.

In other markets, raw sugar for October rose 0.3% to settle at 20.61 cents a pound, cocoa for December lost 0.4% to end at \$3,015 a ton, frozen concentrated orange juice futures for November rose 0.2% to end at \$.18865 a pound, and December cotton ended flat at 68.03 cents a pound.

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DJ Vietnam Coffee Exports Keep Rising as Prices Stay Strong -- Market Talk

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this year to 1.5 million metric tons, the government said. Vietnam is the world's largest producer of robusta coffee, which has a bitter taste and is used mainly in instant coffee. Exports have been strong this year thanks to the recent gains in global prices. The Ministry of Agriculture and Rural Development said last week coffee exports in the first eight months of this year likely have risen 40% from a year earlier to 1.27 million tons. (trong-khanh.vu@wsj.com ;Twitter: @TrongKhanhVu)

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