

ZC'16 opened today: 150.90 (-0.50)

ZC'16 Current day low: 150.90 (Support 137.85)

ZC'16 Current day high: 152.70 (Resistance 154.80)

KC posted what some were calling a historically interesting day as what appeared to be a technical rally ran through growing, though still modest, Brazil selling and a general attitude of disbelief from much of the trade and discretionary fund community. Notable was the statement of concern regarding commercial cover in robusta by a wide margin amongst traders who initiated the topic, though the upside pain on an arbitrage basis in KC has likely been more stress inducing. Perhaps it speaks to the generalized disbelief amongst many that KC belongs at relatively lofty short term levels given the perception that Brazil is primed to initiate selling of size, while the balance sheet in robusta going forward causes far more heartburn. The last time KC2 posted a settlement above 150 was February 20, 2015, while the last close over the same round number in an ascending market was Feb 18, 2014 during the drought rally. Initial jobless claims were a non-event ahead of tomorrow's ballyhooed Non-Farm Payrolls number as the parsing of both data and statements grows in anticipation of Fed action sometime in 2016. With the intraday move ignoring recent correlations such as the BRL, Sugar, and Crude amidst excellent volume, and the aforementioned jobs number coming in front of a three day weekend, one does not expect tomorrow to be holiday-esque. ICO shipments were released for July coming in at 7.75mio bags, down 22% year over year.

## DJ Brazilian Arabica Coffee Plants Still Need Rainfall -- Market Talk

1122 GMT Early flowering of arabica coffee plants in Brazil could see a set-back if rains don't continue over the next couple weeks, says Rabobank. Strong rains in the world's key coffee regions spurred flowers on trees to open earlier than usual, but those buds could be fragile if rains do not continue. "However, there were excellent rainfall levels in June--four times the normal--which means soil moisture must be excellent," the bank says. But weather risks are fairly muted overall -- as the Brazilian winter has drawn to a close, several frost scares proved overstated, and the trees are in fine condition, say analysts. (katherine.dunn@wsj.com )

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## DJ Central American Rainfall Should Help Coffee Crop -- Market Talk

1125 GMT Good rainfall in Central America should produce a stronger coffee crop for the 2016-17 season, says Rabobank. The bank forecasts an increase of 600,000 bags of beans due to the weather, and a possible recovery in Mexico, as well as a half million bag increase from Colombia, the world's second-largest arabica producer. However, the strength of the 2015-16 season, which ends this month in most of Central and Latin America, is still being debated, the bank says, as some believe Honduran farmers are withholding beans.  
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## DJ Coca-Cola Joins Cold-Brew Coffee Wave -- Market Talk

11:36 ET - Coca-Cola (KO) is wading into the small but fast-growing US cold-brew coffee market, with plans to start selling the variant under its Gold Peak tea brand in early 2017. Cold brew involves steeping coffee beans in cold or room-temperature water, producing a lower-caffeine, less-bitter version. KO already sells traditional ready-to-drink coffee through its JV with Italy's Illy brand in the US, a market dominated by the Starbucks (SBUX) and PepsiCo (PEP) joint venture. KO is a bigger RTD coffee player overseas, including its popular Georgia brand in Japan. (mike.estef@wsj.com ; @mikeestef)

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