

Monthly Market Update

Aug 2024



JBCOcoa

Defining Trust



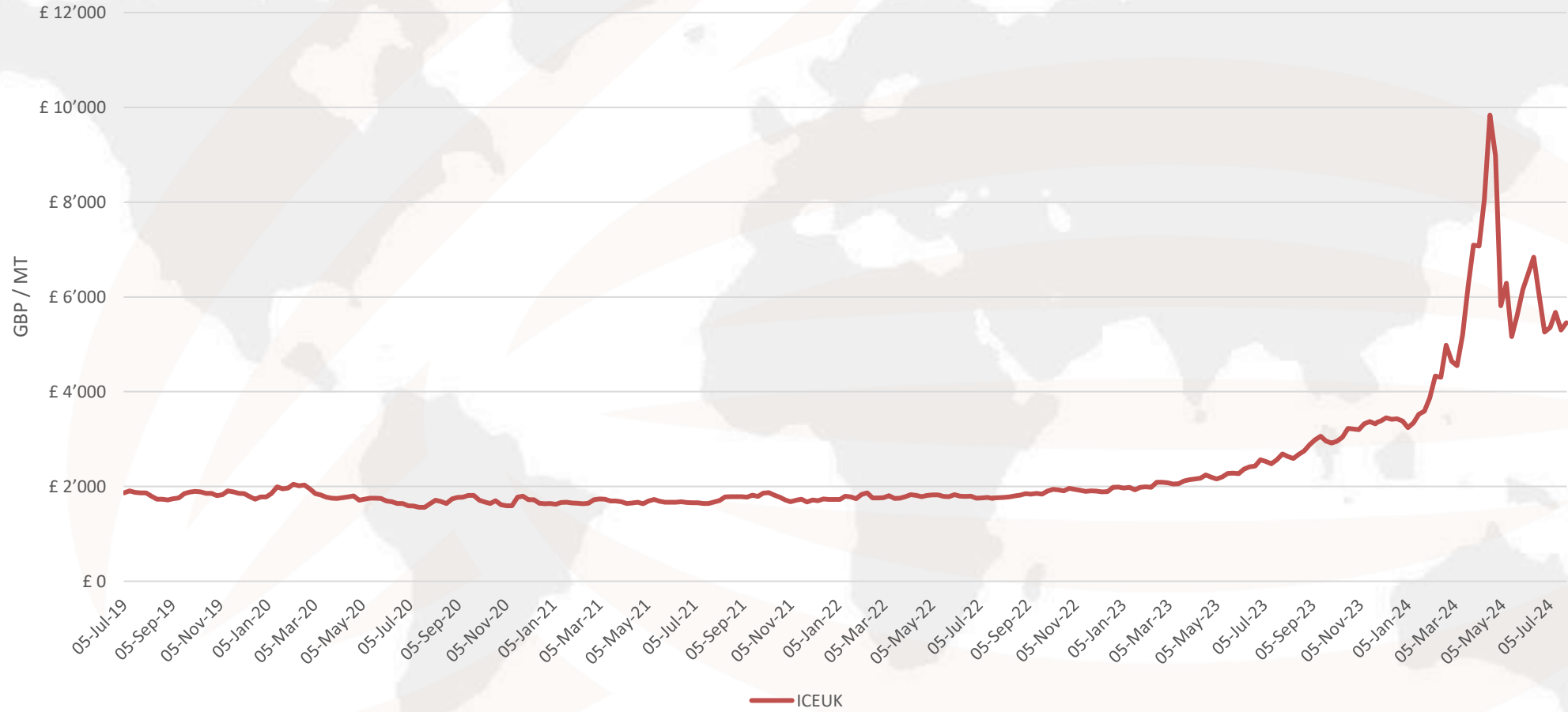
Content of update

- 1) Cocoa Product Market Update
- 2) Bean Differential and Market Structure
- 3) Production and Grinding History and Forecast
- 4) Market Trend



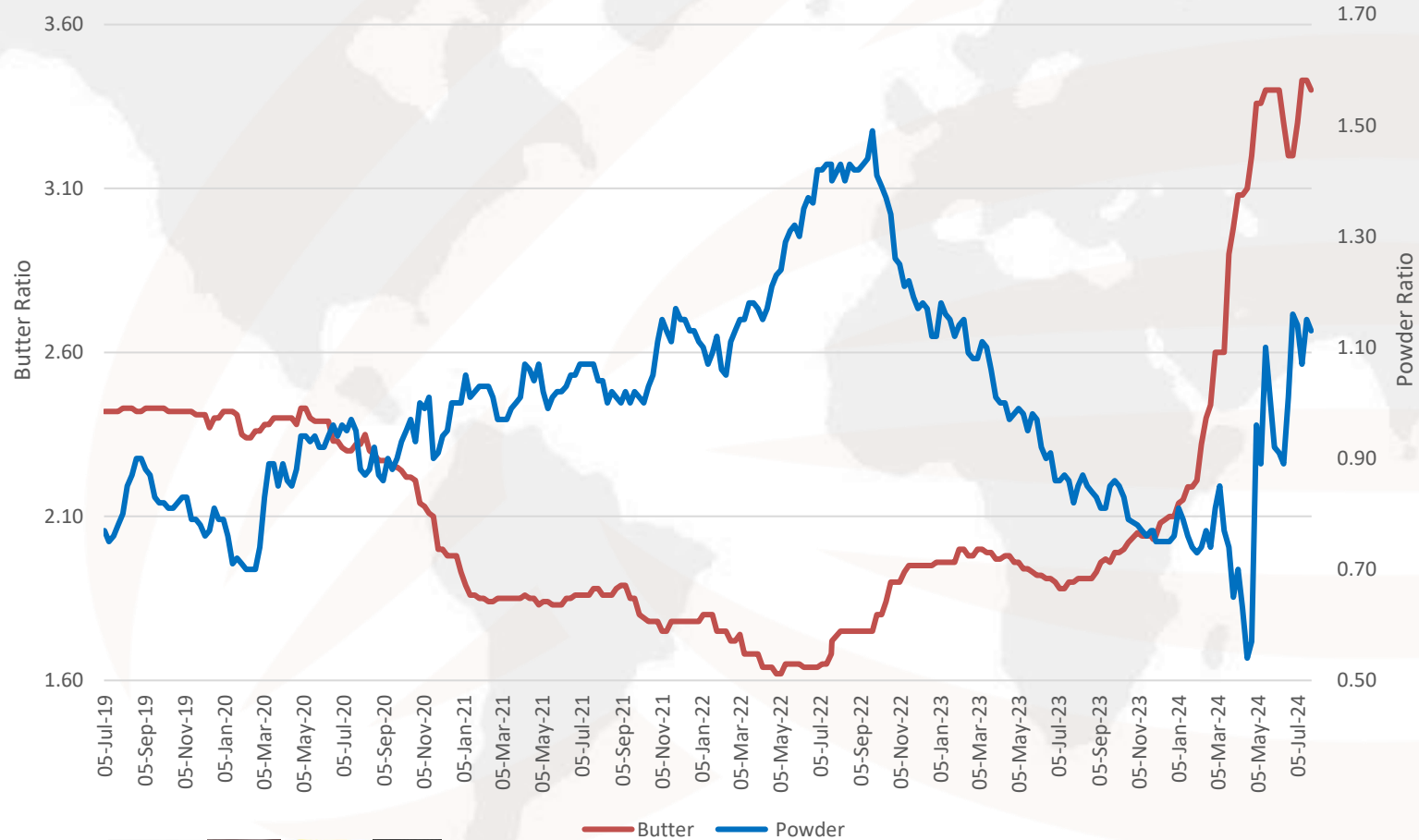
Historical Chart – London Terminal

Historical Chart - ICEUK



Asia Butter and Powder Ratio

Asia - Butter & Powder Ratio (6mths forward)



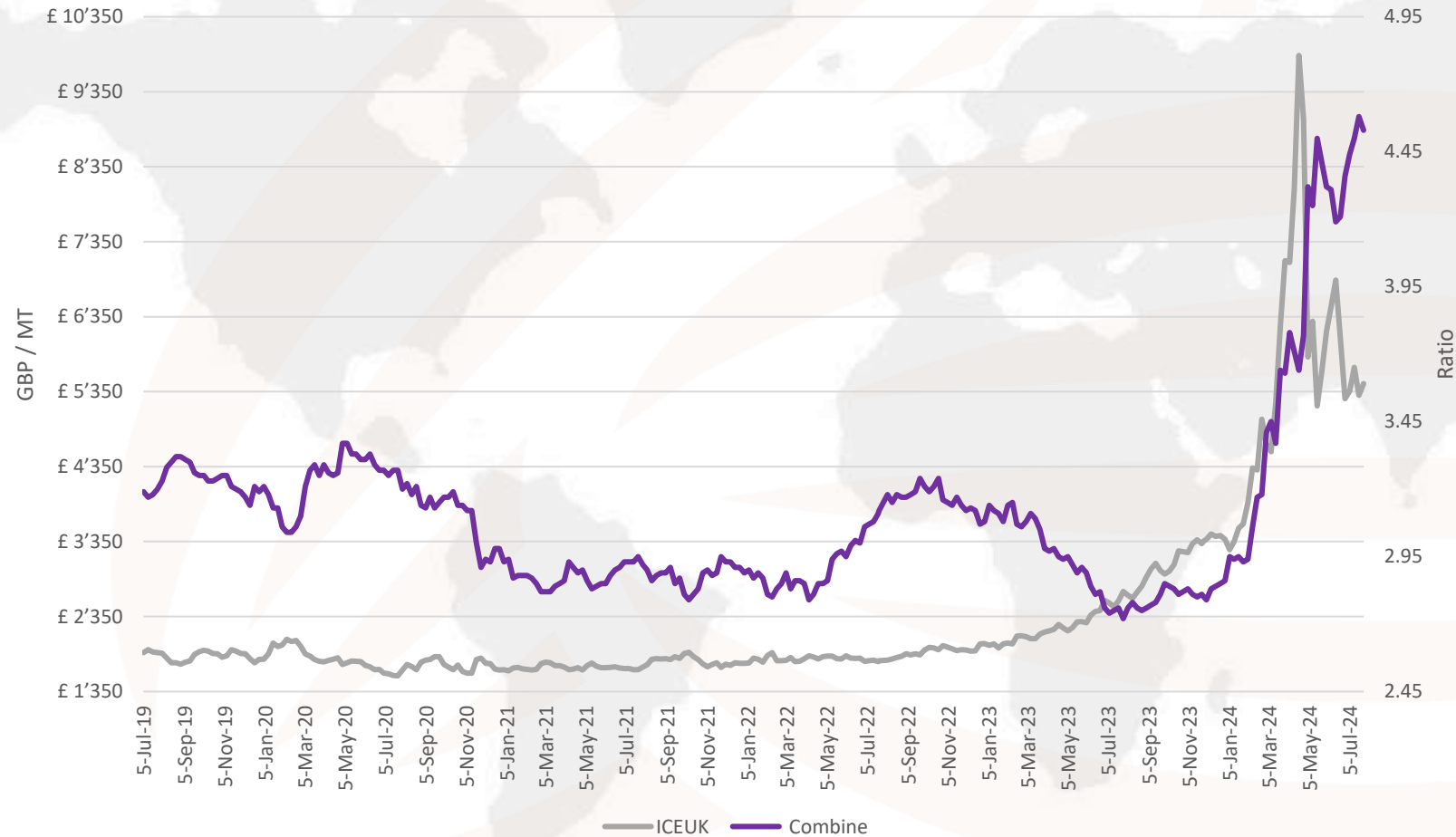
- Butter ratio slightly adjust from 3.30 to 3.40
- The outright natural powder price is also picking up, moving from \$7,700 to \$7,900 – \$8100. The price ratio increased from 1.01 to 1.13.



— Butter — Powder

Asia Butter and Powder Combine Ratio

Asia - Butter & Powder Combine Ratio (6mths forward)

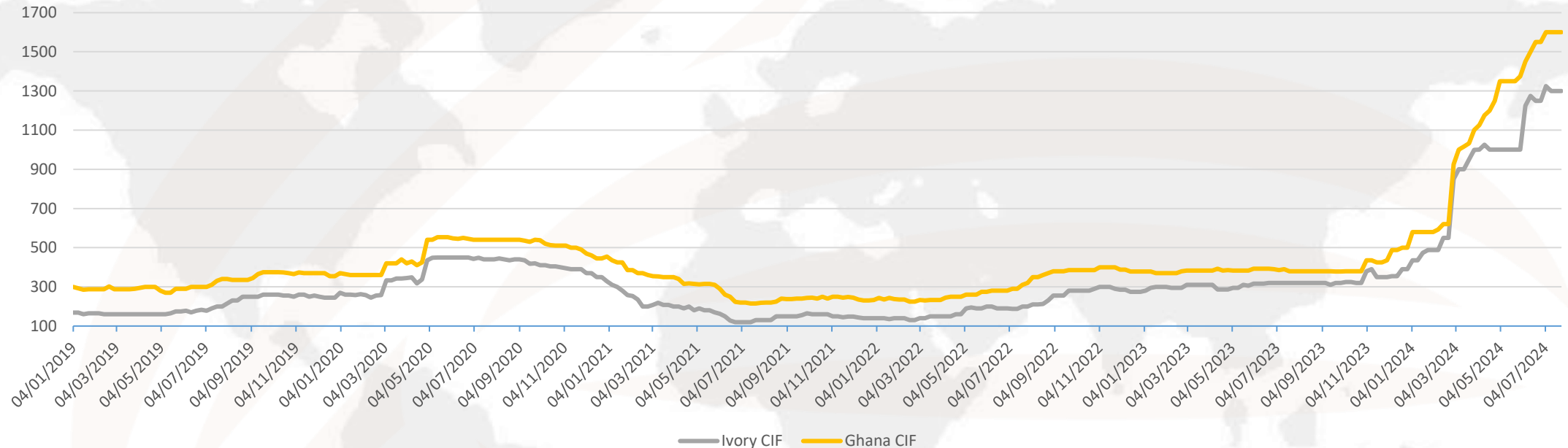


- Bean terminal has increased from **GBP 5,000 to GBP 9,800** in April. And, collapse from **GBP 9,800 to GBP 5,100** within 3 weeks. Now, the trading range has narrowed between **GBP 5,000** and **GBP 6,000**.
- The combined ratio moves higher because both butter ratios and powder prices are going up significantly
- Butter ratios 3.40.
- Powder ratio 1.13 (USD 7900 – 8100)



Bean Differential (IVC & GHA)

Bean Differential UK (6mths forward)



- IVC Diffs Q4 to now increased from: +GBP480 > +GBP1,300
- Ivory Coast 23/24 cocoa arrival reached 1.65mmt vs 2.31mmt last year (down 28.6%)
- Ghana arrival down 33.7% (412,833mt vs 623,109mt), Ghana shortage 350kmt (forecast 800kmt vs 450kmt) from this 23/24.
- Improved precipitation from the end of El Niño and potential La Niña transition is expected to boost cocoa yields in the Ivory Coast and Ghana next season.

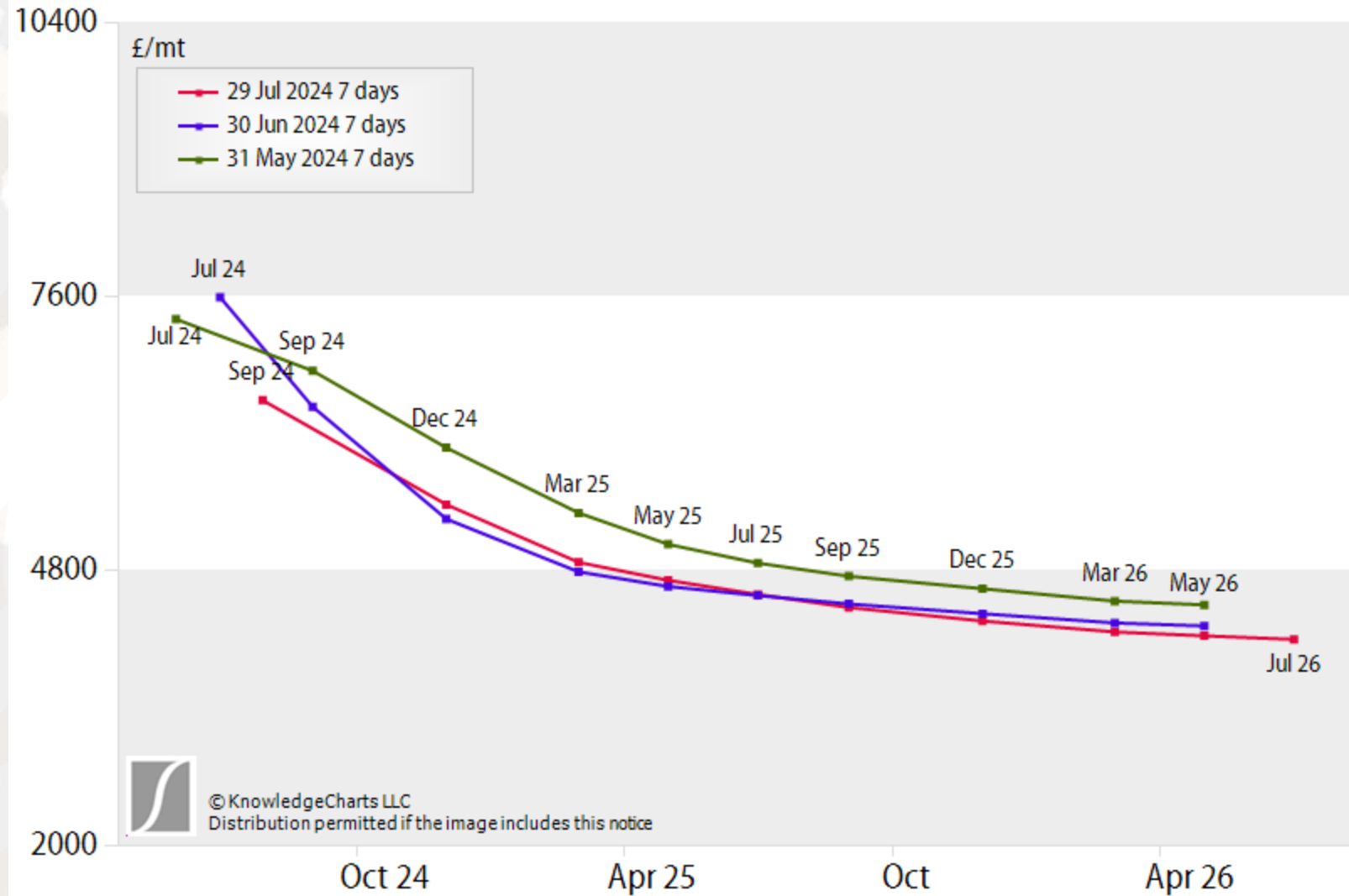


Structure

- Market structure extremely inverted, nearby much more expensive than forward

ICE Europe (LIFFE) Cocoa structure

Latest and recent months

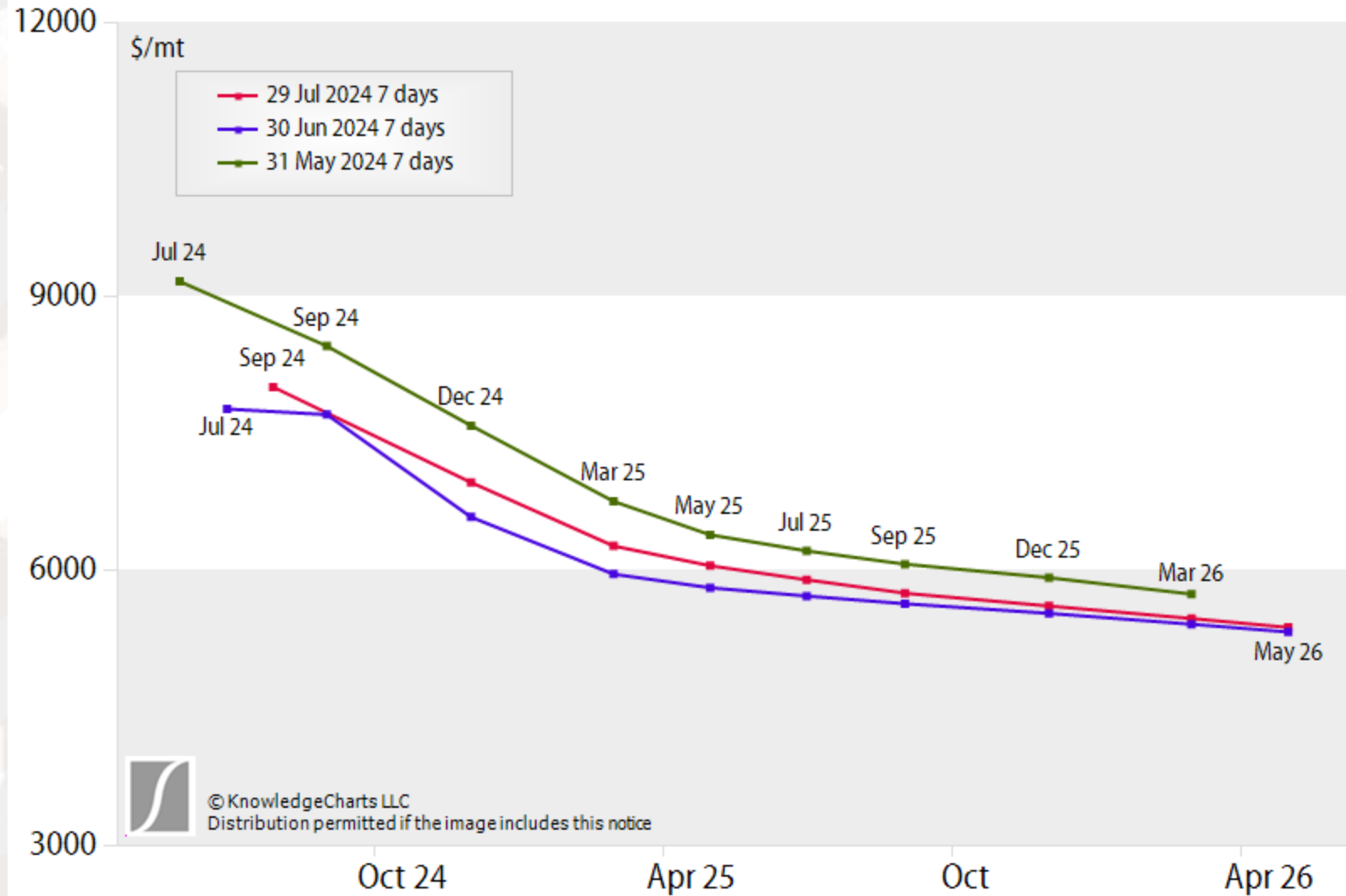


Structure

- Market structure extremely inverted, nearby much more expensive than forward

ICE New York Cocoa structure

Latest and recent months



World cocoa production history, forecasts to 2025/26

Selected countries with comparison to ICCO

Region/Country	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30
----- (tmt) -----														
Africa														
Cameroon	232	254	264	283	292	295	262	305	310	315	320	325	330	335
	-14	4	-16	3	0	0	-8	5						
Côte d'Ivoire	2020	1950	2193	2102	2184	2091	2178	1634	1965	2113	2058	2003	1948	1893
	0	-14	39	-3	-64	-30	-63	-166						
Ghana	969	905	812	800	1040	683	656	471	600	675	650	625	600	575
	0	0	0	29	-7	0	2	-30						
Nigeria	315	300	350	240	337	281	335	340	345	350	355	360	365	370
	70	50	80	-10	47	1	20	40						
Togo	10	9	11	11	13	10	14	15	15	15	15	15	15	15
	0	0	0	0	0	0	-2	0						
Uganda	32	29	27	19	34	30	35	40	45	50	55	60	65	70
	-3	-6	-8	-16	-1	-5	0	0						
Other Africa	101	83	95	109	159	324	368	417	353	190	200	209	219	228
	-3	-4	0	0	0	0	0	0						
Total Africa	3679	3529	3751	3564	4059	3714	3848	3222	3633	3708	3653	3597	3542	3486
	52	35	94	9	3	125	131	71						
Central and South America														
Brazil	174	204	176	201	196	223	210	200	230	230	245	260	275	290
	0	0	-4	0	-4	3	-10	-20						
Colombia	55	55	59	64	70	70	70	72	72	73	74	75	76	77
	0	0	0	0	0	0	0	0						
Dominican Republic	71	86	72	76	78	70	85	85	87	88	90	92	94	96
	14	1	-3	-2	3	-10	-5	-5						
Ecuador	303	285	321	342	366	373	462	440	500	525	550	575	600	625
	3	-2	-1	0	1	8	8	10						
Mexico	27	28	28	29	28	28	30	30	28	29	30	31	32	33
	0	0	0	0	0	0	0	0						
Peru	114	118	133	119	119	134	134	145	150	157	165	172	179	185
	-2	-17	-8	-38	-37	-36	-38	-25						
Other America	31	33	41	37	35	35	36	38	38	38	38	38	38	38
	-7	-9	-5	-4	-5	-5	-5	-5						
Total America	775	809	830	868	892	933	1027	1010	1105	1140	1193	1245	1297	1348
	8	-26	-21	-45	-43	-40	-50	-45						



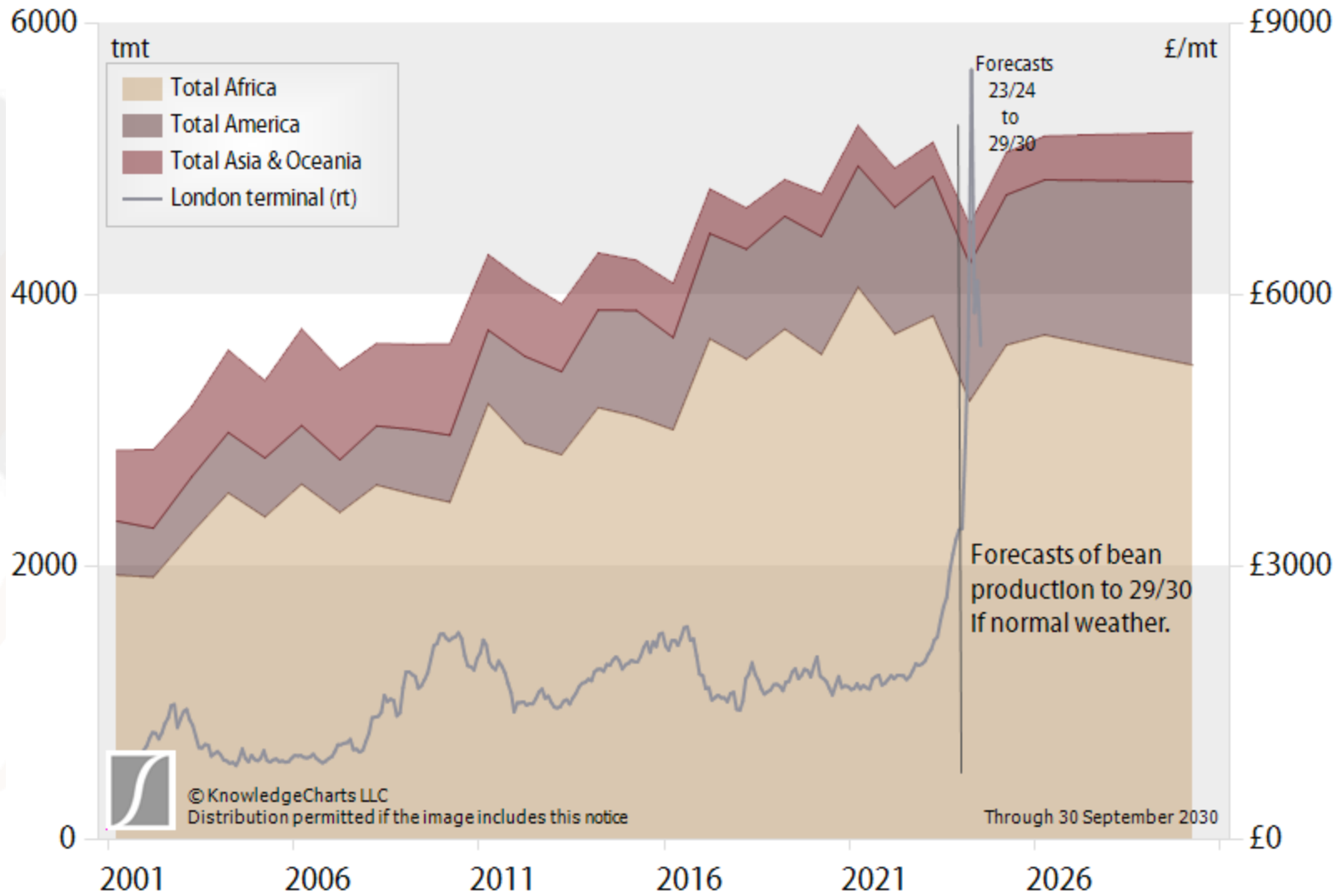
Asia and Oceania														
India	20	20	20	20	20	20	25	25	20	20	20	20	20	20
	0	0	0	0	0	0	0	0						
Indonesia	237	231	199	242	215	209	159	195	225	235	245	255	265	275
	-53	-9	-21	42	45	29	-1	35						
Malaysia	6	1	1	1	1	1	0	0	1	1	1	1	1	1
	0	0	0	0	0	0	0	0						
Papua New Guinea	45	33	29	28	43	37	42	42	42	42	42	42	42	42
	7	-4	-11	-13	1	-5	-1	-3						
Philippines	9	8	10	10	12	12	15	15	15	15	15	15	15	15
	0	0	0	0	0	0	0	0						
Other Asia & Oceania	11	12	12	12	10	10	10	9	10	10	10	10	10	10
	2	3	3	2	1	2	2	2						
Total Asia & Oceania	328	305	271	313	300	289	251	287	313	323	333	343	353	363
	-46	-13	-32	29	46	24	-2	32						
World														
Reported World	4782	4643	4852	4745	5251	4936	5127	4519	5051	5171	5179	5185	5192	5197
Unknown Origin	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total World	4782	4643	4852	4746	5252	4936	5128	4520	5052	5171	5179	5185	5192	5197
	14	-3	41	-6	7	110	80	59						

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Production of cocoa beans

Total world crop by region to 29/30, London terminal



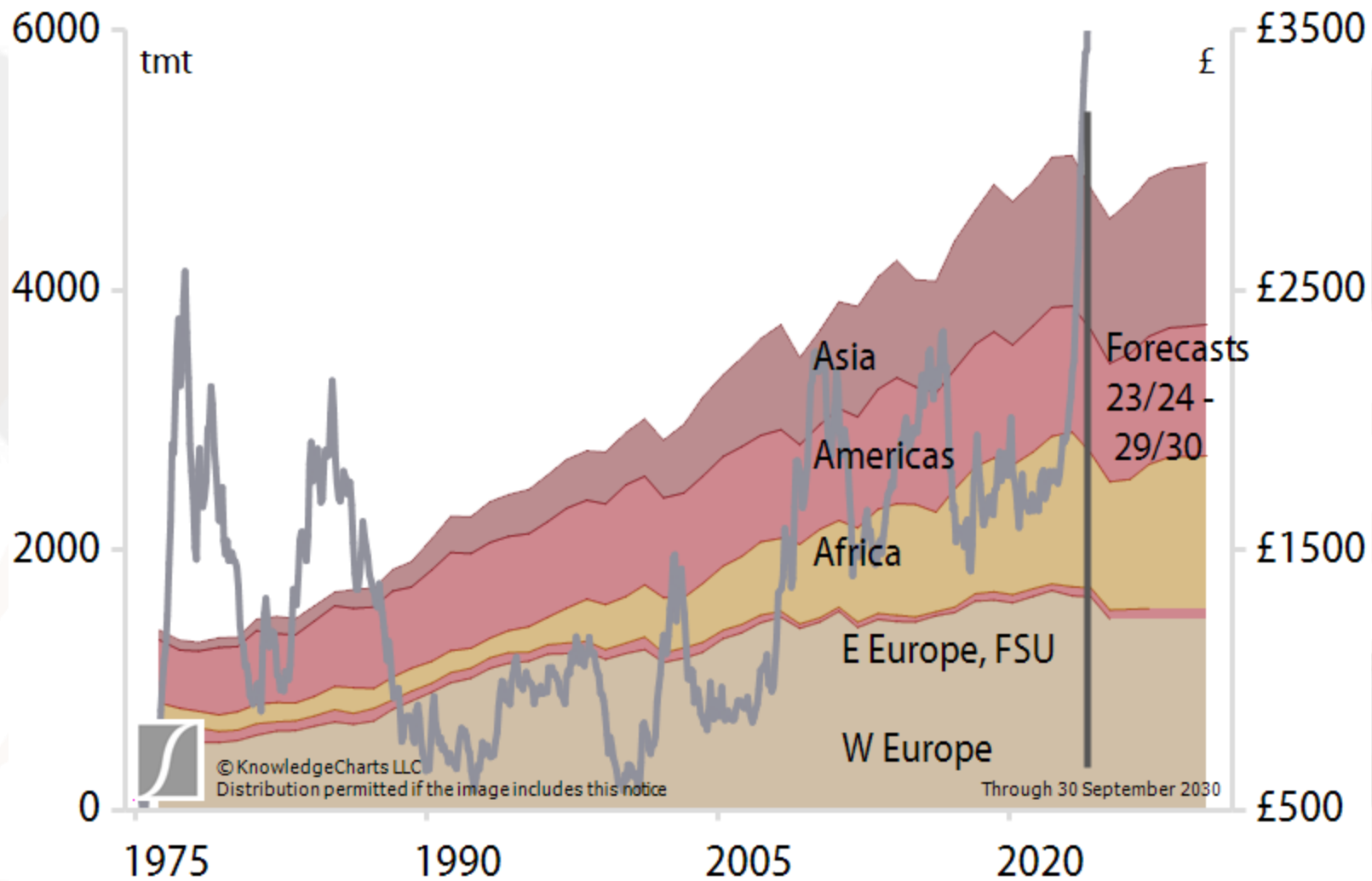
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Through 30 September 2030



Grindings of cocoa beans

Total world grindings by region to 29/30, London terminal



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Through 30 September 2030



Market Trend

- Cocoa market condition: **High beans differential, high products ratio & collapse terminal market**
- Total 23/24 crop estimate deficit 372kmt
- The combined ratio is high, but there are limited buyers in the market.
- Improved precipitation from the end of El Niño and the potential La Niña transition is expected to boost cocoa yields in the Ivory Coast and Ghana next season.
- Prices rebounded due to increased rainfall in West Africa, making plantations more disease-prone and raising chemical costs for farmers.
- CRA estimate 24/25 crop estimate surplus 385kmt)
- Better-than-expected for Q2 grind. However, bigger decline expected in Q3.
 - Q2 down 2.95% (-26k). Published grind figure (ECA up 4.14% (+14k), IVC down 19.58% (-31k), Brazil down 12.8% (-8k), NCA up 2.23% (+2k), CAA down 1.41% (-3k))
- Cocoa beans differential:
 - Ghana differential +GBP1,900 CIF
 - IVC differential +GBP900 CIF
 - Nigeria differential +GBP800 CIF
 - Ecuador differential +USD1,200 CIF
 - Indonesia differential +USD350 DAP



Thank You



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Defining Trust

JB Cocoa is a subsidiary of public-listed **JBfoods** (SGX:BEW)