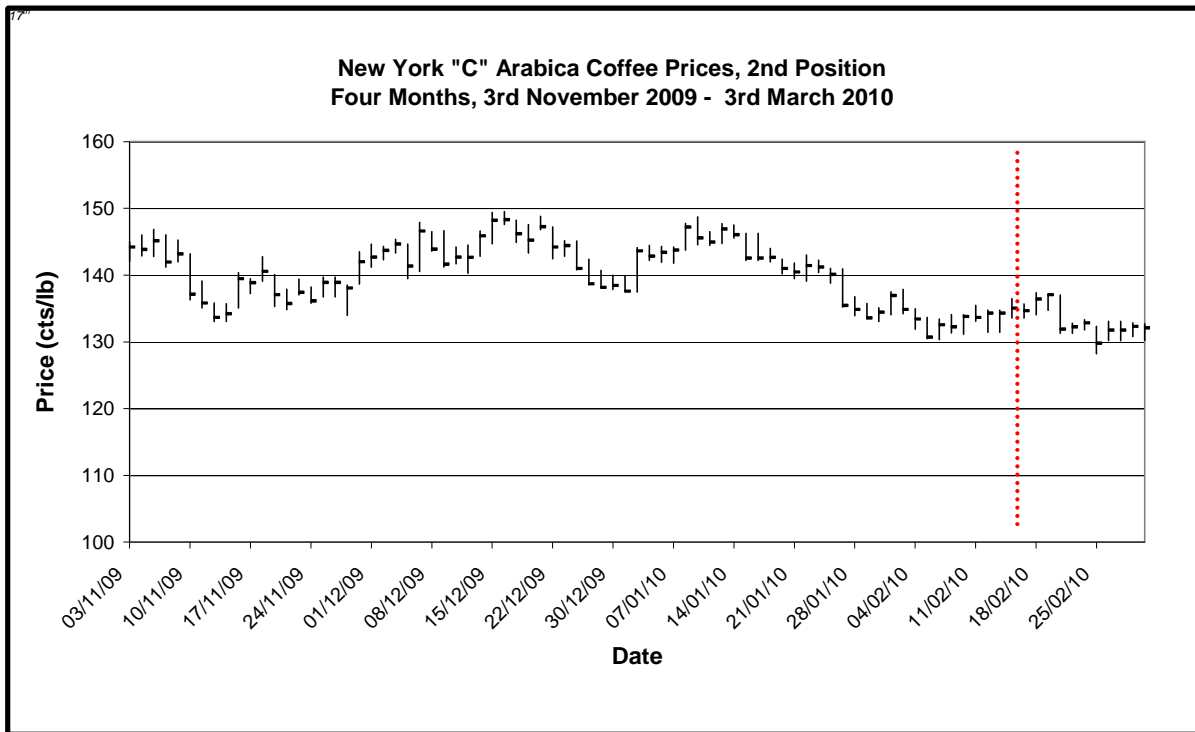




COMPLEX MARKET!

1. COFFEE PRICES: REVIEW AND OUTLOOK 1.1 NY ARABICA 'C' MARKET



REVIEW OF NY 'C' ARABICA MARKET 2 WEEKS ENDING 3RD MARCH 2010 & OUTLOOK FOR ARABICA PRICES

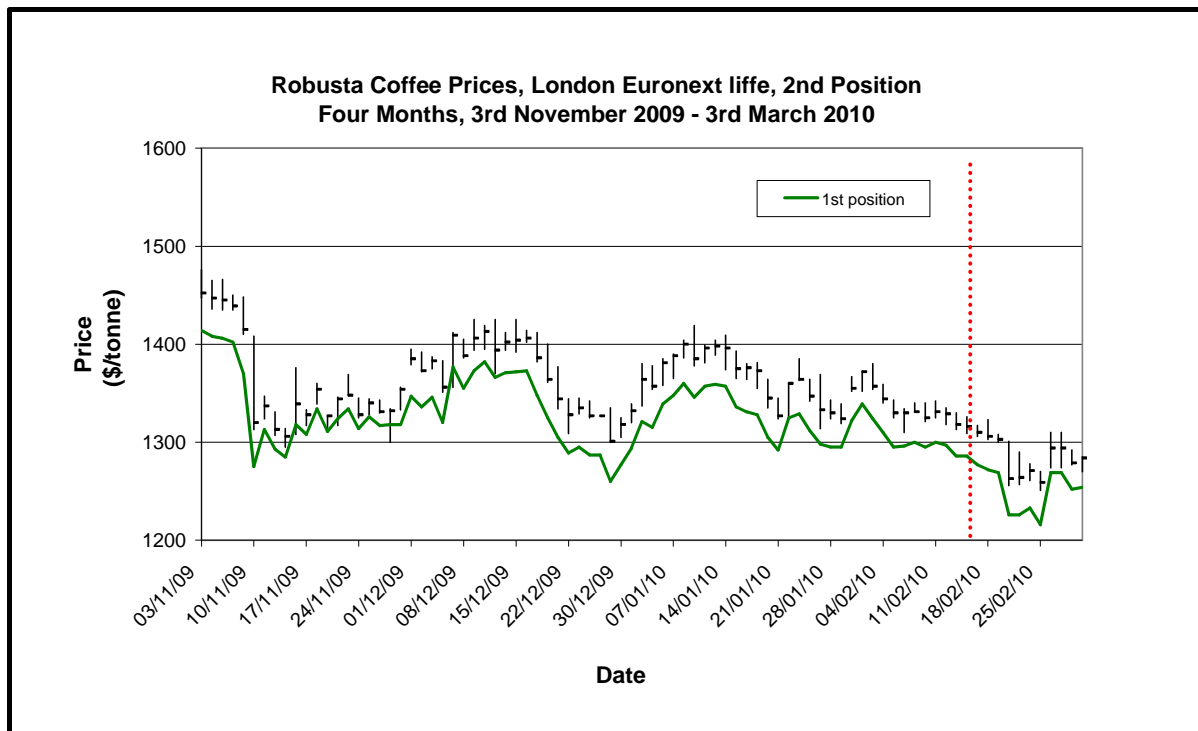
New York arabica prices showed no signs of direction in the last 2 weeks. There is a complex situation in the market right now. Funds and speculators tend to be 'bearish' (market going down) and physical coffee buyers are being 'squeezed' due to the shortage of good quality arabica coffee. This tightness of arabica coffee can be seen in the firmer quality differentials for these specific coffees (going up) rather than in the daily New York arabica price (stable tending weaker).

Currency (the Sterling/US Dollar) is attracting more attention with the cost of coffee in Europe going up, as a strong US Dollar exceeds the weaker coffee market.

Futures fell early on as orders to sell (sell stops) dominated the technical scene. Slack daily traded volumes also contributed to the sluggish market. Our chart overleaf shows that world coffee stocks are falling. On the plus side we do seem to think that supplies of Brazil coffee will be sufficient.

Technically the market needs to be above 137.50 to turn around this rather negative sentiment. In our view this is not imminent.

1.2 LONDON ROBUSTA COFFEE MARKET



REVIEW OF EURONEXT LIFFE ROBUSTA MARKET 2 WEEKS ENDING 3RD MARCH 2010 & OUTLOOK FOR ROBUSTA PRICES

The robusta price fell in line with New York and prices dropped below the key \$1300 level. This is a mirror-image of the arabica market - supplies are tight but the physical market fails to influence the price (upwards).

Range bound is the name of the game for now. Only if the market goes back to \$1300 or \$1320 might we see sentiment become more positive.

1.3 SUMMARY OF PRICE MOVEMENTS FROM 17TH FEB – 3RD MARCH 2010, 2ND POSITION.

	Period High	Date	Period low	Date	Close on 17 th Feb.	Close on 3 rd March	Overall Change +/-
ARABICA May 10 NY Cts/lb.	137.05	19/02/10	128.25	25/02/10	134.65	132.10	- 2.55
ROBUSTA May10 London US\$/ton.	1323	18/02/10	1251	25/02/10	1310	1284	- 26
ICO composite price Arabica and Robusta cts/lb					124.46	123.29	- 1.17

2. COFFEE NEWS

Dominican Republic Coffee bounce

After a poor crop in 2009/10, estimates for Dominican Republic coffee output are up to 138,000 bags for 2010/11. According to Fausto Burgos Mejia, executive director of the Dominican Coffee council, excessive rain last year diminished crops, while this year's earthquake in Haiti has seen a lot of coffee going across the border. If output were to reach the estimated levels of 138,000, it would be the highest output in 10 years. Internal consumption is strong in the country, with exports reaching only 15-20% of total output.

(Coffee Network)

Kenya prices up at auction

According to the Nairobi Coffee Exchange, Kenyan prices for coffee were up 5% in recent weeks. The benchmark AA grade rose 6% to an average of \$363.85 a bag, while the average for all coffee increased to \$288.14. Overall sales climbed 9% to 14,143 bags, worth a total of \$5.05 million.

(Reuters)

Ugandan coffee down 20%

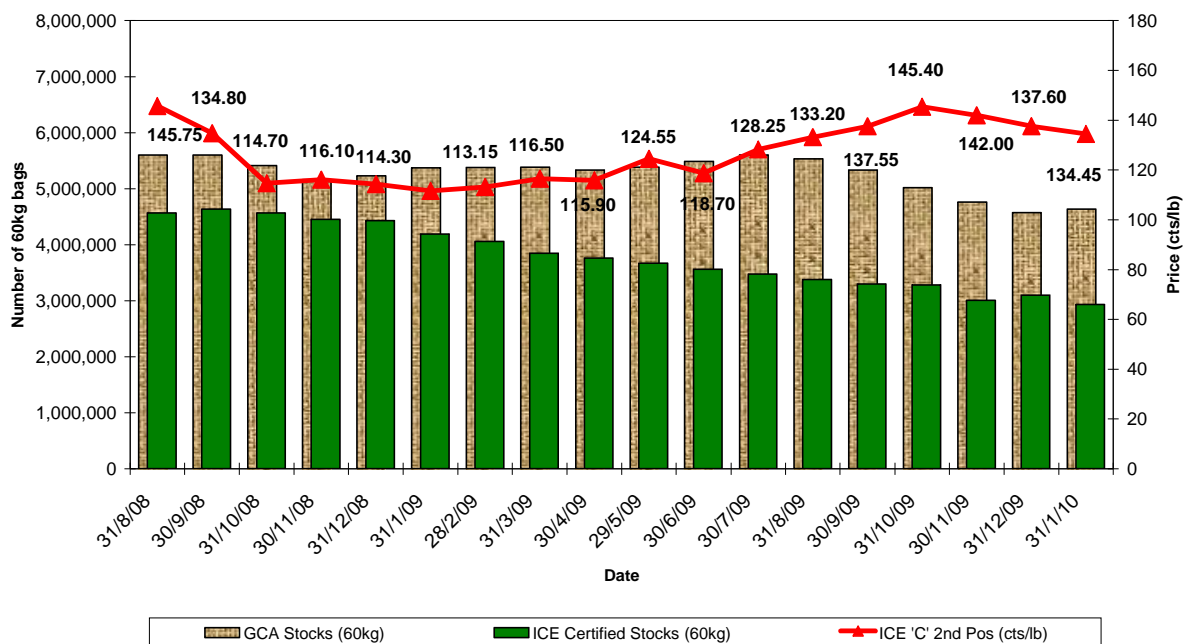
Both January and February shipments from Africa's second biggest coffee grower were down on last years figures according to the Uganda Coffee Development Authority. In January, 264,314 bags were shipped, down 20% from the same month in 2009. February saw 264,373 bags exported compared to 321,355 last year. The decline is being attributed to the effect of last year's drought on the formation of the beans. The outlook for recuperation is positive however, as heavy rains continue to fall in the central and south-west growing areas.

(Reuters)

3. NY CERTIFIED STOCKS AND GREEN COFFEE ASSOCIATION STOCKS

	17/02/10	03/03/10	Change
NY Certified Stocks (60kg bags)	2,869,864	2,777,003	- 92,861
Pending Grading	26,815	26,312	- 503
GCA Stocks (60kg bags) Next release of figures 15 th Mar	31/12/09 4,570,047	31/01/10 4,635,561	+ 65,514

GCA Stocks with ICE-Certified Stocks and ICE 'C' Arabica Prices (2nd pos.)
18 months, August 2008 - January 2010



4.0 DIFFERENTIALS

Accurate differentials are more difficult to establish with more business being executed on fixed price bases. These are estimated conventional prices. They do not currently represent the higher differential paid for specialty grades. All prices are FOB against New York (Arabicas) or London (Robusta) Futures:

ORIGIN	QUALITY (NEW CROP)	SHIPMENT	DIFFERENTIAL (c/lb)
BRAZIL	NY 2/3 mtgb, fc	Jun-Dec	-17.00
COLOMBIA	EXCELSO	Mar-Jun	+65.00
COSTA RICA (new crop)	STRICTLY HARD BEAN EP	Mar -Jun	+42.00
	HARD BEAN EP	Mar -Jun	n/a
DOM. REP.	BANI	Jun-Jul	+20
GUATEMALA	STRICTLY HARD BEAN EP	Mar -Jun	+44.00
	HARD BEAN EP	Mar -Jun	+38.00
HAITI	WASHED ARABICA EP	n/a	n/a
HONDURAS (new crop)	STRICTLY HIGH GROWN	Mar -Jun	+19.00
	HIGH GROWN	Mar -Jun	+21.00
MEXICO	HIGH GROWN EP	Mar-Jun	+28.00
	HIGH GROWN US	Mar -Jun	+24.00
	PRIME WASHED EP	Mar-Jun	+20.00
	PRIME WASHED US	Mar-Jun	n/a
NICARAGUA	STRICTLY HIGH GROWN	Mar-Aug	n/a
	HIGH GROWN	Mar-Aug	n/a
PERU	Grade 1	Jun-Dec	+23
	Grade 2	Jun-Dec	+21
RWANDA	Standard	n/a	n/a
	Ordinary	Jun-Aug	Level
TANZANIA	AA North	Mar-Apr	+72.00
	AB North	Mar-Apr	+63.00
UGANDA	Bugisu AA FAQ	n/a	n/a
	Bugisu AB FAQ	n/a	n/a
Robusta			
TANZANIA	Bukoba Robusta Superior		n/a
	Bukoba Robusta FAQ		n/a
UGANDA	Robusta Screen 18		n/a
	Robusta Screen 15	Mar-Jun	+230
VIETNAM	Robusta Grade 1 Scr 18	May-Jun	+105.00
	Robusta Grade 2	May-Jun	+130.00
INDIA	Robusta Cherry AB	May-Jun	+200

© Twin, 2010. The next issue is due to be published on the 18th March 2010. For more information contact: Matt Horsbrugh, John Weaver or Joanna Lawson at: Twin, Tel: + 44 (0)20 7375 1221, Fax: + 44 (0)20 7375 1337, e-mail: joannalawson@twin.org.uk