

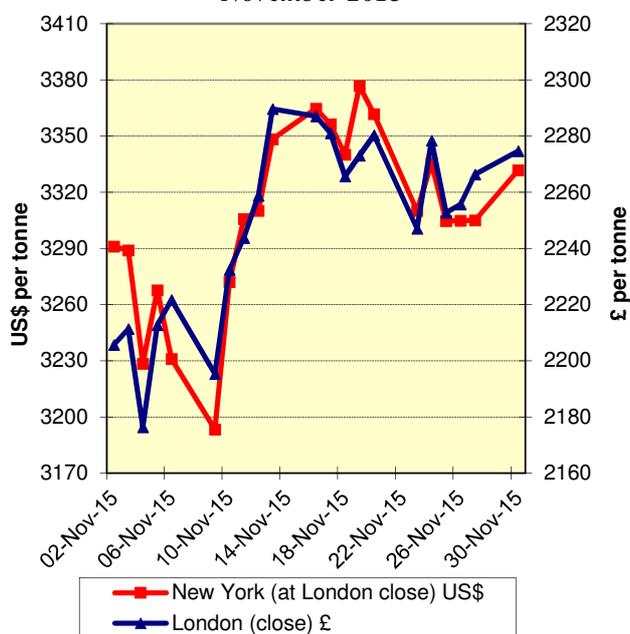


## COCOA MARKET REVIEW

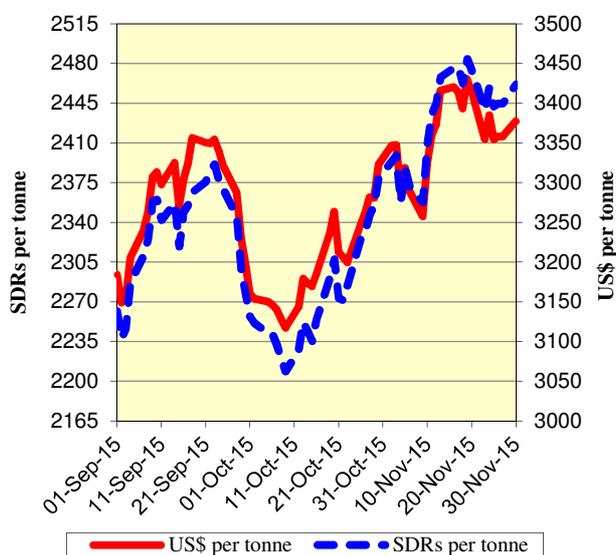
### NOVEMBER 2015

The current review of the cocoa market situation reports on price movements on the international markets during the month of November 2015. **Chart I** illustrates price movements on the London (ICE Futures Europe) and New York (ICE Futures US) markets in November. **Chart II** shows the evolution of the ICCO daily price, quoted in US dollars and in SDRs, from September to November 2015. **Chart III** depicts the change in the ICCO daily price index, the Dow Jones Commodity Index and the US dollar Index during the month under review, while **Chart IV** presents the prices of European cocoa products since the beginning of the year.

**Chart I:**  
Cocoa bean prices on the London (ICE Futures Europe)  
and New York (ICE Futures U.S.) futures markets  
November 2015



**Chart II:**  
ICCO daily prices  
September – November 2015



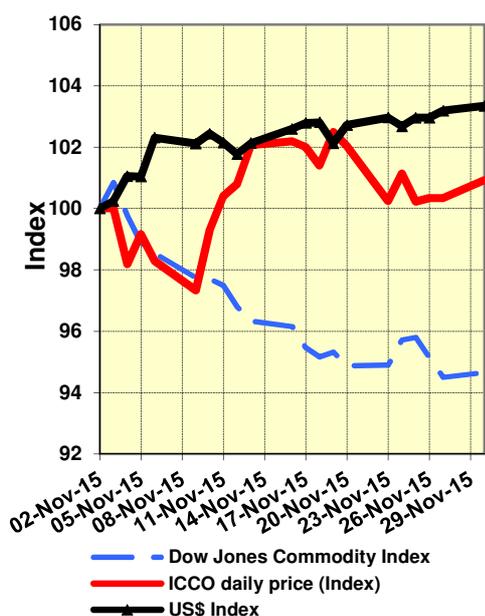
**Note:** The ICCO daily price for cocoa beans is the average of the quotations of the nearest three active futures trading months on the ICE Futures Europe and ICE Futures U.S. at the time of London close, converted into US\$ and SDRs using the appropriate exchange rates.

### Price movements

In November, the ICCO daily price averaged US\$3,361 per tonne, up by US\$163 compared to the average price recorded in the previous month (US\$3,198) and ranged between US\$3,257 and US\$3,431 per tonne.

Cocoa prices declined at the beginning of November, falling to their lowest level for the month at £2,176 per tonne in London and at US\$3,193 per tonne in New York. As shown in **Chart I**, cocoa prices changed direction in the second week of the month in both futures markets, reaching £2,290 per tonne in London and US\$3,377 per tonne in New York. These price levels have not been seen since the period of the export ban imposed on Ivorian beans four and a half years ago in the first quarter of 2011. Market participants have been concerned at the possible impact of the dry weather conditions that prevailed at the end of the previous cocoa season and what the ongoing slowdown in weekly cocoa arrivals in Côte d'Ivoire might have on 2015/2016 cocoa production. Strong option buying interest from traders has also contributed to the bullish sentiment within both markets. Influenced by the continued strengthening US dollar, cocoa prices followed a slight downward tendency in the second half of the month, dwindling to £2,275 per tonne in London and to US\$3,332 per tonne in New York. However, as depicted in **Chart III**, cocoa markets outperformed the broader commodity market which is currently facing a rout.

**Chart III: ICCO daily price Index, Dow Jones-UBS commodity index and U.S. Dollar Index**

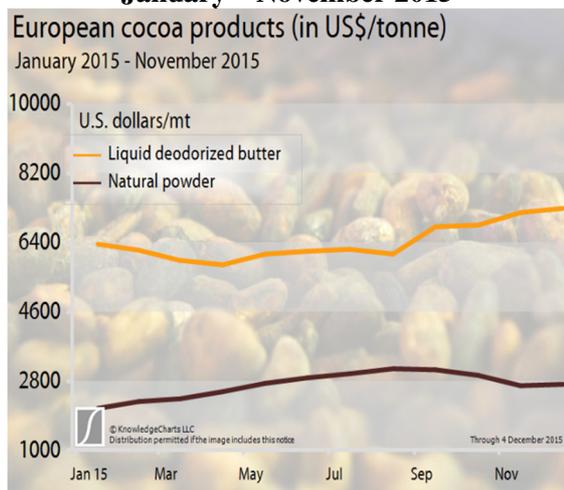


**Notes:**

The *US Dollar Index* is a measure of the value of the United States dollar relative to a basket of six major foreign currencies. The *Dow Jones Commodity Index* tracks price movements across various commodities, including energy, precious metals, industrial metals, grains, livestock, softs and agriculture.

**Chart IV:**

**European cocoa products in US\$/tonnes January – November 2015**



**Supply and demand situation**

According to news agency data, cumulative arrivals since the beginning of the season at ports in Côte d’Ivoire reached around 534,000 tonnes by 6 December, as against 536,000 tonnes recorded during the same period of the previous season. While cumulative arrivals are, at this point, approximately the same as last year, weekly arrivals are on the decline, confirming expectations of a smaller main crop. In Ghana, as with Côte d’Ivoire, the 2015/2016 cocoa harvest started very strongly, stimulated by stronger farmgate prices and the distribution of fertilizers and pesticides. Indeed, news agencies reported that cocoa purchases had reached 345,000 tonnes by 3 December, compared with the start of the current cocoa season. However, as the July-September quarter was reported to be the driest for 35 years, doubts remain in relation to expectations of a substantial increase in output.

In relation to demand, industry reports indicate that cocoa butter prices have continued to increase, as illustrated in **Chart IV**, probably an indication of the levels of stocks of butter as the Christmas season approaches. On the other hand, powder prices have followed a declining trend. Overall, market analysts expect a modest rebound from global cocoa grindings during the current season despite projections for prices to stay around current levels.

The ICCO Secretariat’s revised estimates for the 2014/2015 cocoa year, published in the latest issue of the *Quarterly Bulletin of Cocoa Statistics*, show that the previous season recorded a moderate production surplus of 36,000 tonnes. World cocoa bean production has declined by almost four per cent (down by 171,000 tonnes) over the previous season, to 4.201 million tonnes while grindings have shrunk by almost five per cent to 4.123 million tonnes (down by 199,000 tonnes). Global statistical stocks of cocoa beans as at the end of the 2014/2015 cocoa year are estimated at 1.601 million tonnes, equivalent to 38.8% of annual grindings.

