

# Cloves Weekly Update

1. Strong production in Indonesia and adequate contributions from other regions cause stabilizing the supply and prices in the cloves market.
2. We should keep a close watch on weather patterns in major producing areas, as unfavorable conditions could impact upcoming supplies.

Jul 3rd, 2024



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## A. Price:

Earlier in 2024, expectations that clove prices would rise to record highs up to 10,000\$, led to speculative holding by exporters and sellers. This anticipation did not materialize, causing a re-adjustment in the market.

We have Cloves offer as below:

Grade	Prices (USD/MT)
CG1 Comoros new crop	9300
CG3	8300
Lal Pari new crop	8200
Price idea for 1x20ft <b>FOB basis</b> Shipment time July/August Packing in 10 kg carton Offers are subject to reconfirmation	

## B. Supply:

### Cloves Crop Calendar

Comoros								Aug	Sep			
Indonesia							Jul	Aug	Sep	Oct		
Madagascar									Sep	Oct	Nov	

**Indonesia:** The leading producer, Indonesia, is set to supply between 100,000 and 150,000 metric tons in 2024. Its extensive and well-established clove plantations ensure a consistent and significant contribution to the global market.

**Madagascar:** Known for high-quality cloves, Madagascar's production has been affected due to cyclones and heavy rains. The 2024 yield is expected to be around 12,000 - 15,000 metric tons, lower than initially anticipated.

**Zanzibar and Tanzania:** These regions, combined with the Comoros, are expected to produce about 6,500 metric tons. Although they have smaller scale, they play a crucial role in maintaining supply balance.

Despite severe weather conditions, we expect the global clove supply to be sufficient to meet demand, driven primarily by Indonesia's strong production and the combined output from Zanzibar, Tanzania, and Comoros.

### **C. Demand:**

The demand for cloves remains strong across key markets, including Europe, India, and parts of the Middle East. While occasional spikes in buying may occur due to seasonal factors or speculative activity, overall market dynamics tend to balance supply and demand effectively.

### **D. Our View:**

- **With the upcoming harvests and existing stocks, the clove market is poised for price stability.**
- **However, we should continue to monitor the weather patterns in key producing regions as adverse conditions could affect future supplies.**

**For any questions or comments please feel free to contact our team:**

Mr. Jasvinder      [Jasvinder@namagro.com](mailto:Jasvinder@namagro.com)

Ms. Han            [gjahan@namagro.com](mailto:gjahan@namagro.com)

