

Cloves Weekly Update

1. We anticipate that the market will continue to rise due to increased demand from the cigar industry.
2. If you need the cargo, you many consider purchasing now as prices are expected to keep increasing until the Madagascar harvest season in September.

Aug 7th, 2024



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A. Price:

Please find Indicative Cloves offer as below:

Grade	Prices (USD/MT)
CG1 Comoros new crop	8800
CG3 Comoros new crop	7300
Lal Pari new crop	7000
Price idea for 1x20ft FOB basis	
Offers are subject to reconfirmation	

Since the main harvest season in Indonesia began, clove prices have dropped by nearly \$2000. This significant decline can be attributed to the increased supply from the harvest, which has temporarily flooded the market. However, some corrections are now being observed as demand starts to pick up again, particularly from cigarette factories. These corrections indicate a stabilization in the market as the initial supply surge is absorbed and prices begin to adjust accordingly.

B. Supply:

Comoros	Around 2500 MT							Jul	Aug	Sep			
Indonesia	100,000 MT – 150,000 MT							Jul	Aug	Sep	Oct		
Madagascar	12,000 MT - 15,000 MT									Sep	Oct	Nov	
Tanzania	700 MT – 1000 MT								Aug	Sep			

In Indonesia, there are no offers these days as suppliers are fully booked. Additionally, some suppliers and collectors are not selling and are keeping cloves in stock, anticipating higher prices in the future.

With the harvest season in other countries approaching, the supply on the market will become more diverse, which is expected to reduce the pressure on prices and stabilize the market.

C. Demand:

As mentioned in previous reports, the dominant influence on the clove market in the near term will be the demand from Indonesia's cigarette industry. Any abrupt changes in demand from this sector could impact prices significantly. These buyers have already started to drive heavy buying immediately after the price drop following the harvest, making the market more sensitive to fluctuations.

D. Our View:

- **We anticipate that the market will continue to rise due to increased demand from the cigar industry.**
- **If you need the cargo promptly, you may consider purchasing now as prices are expected to keep increasing.**

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

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