

# Cloves Weekly Update

- Given the ongoing supply constraints and robust demand, we expect cloves prices to continue increasing.
- Diversifying supply sources from African origins to stabilize your procurement.

Aug 30th, 2024



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**A. Price:**



In August 2023, Indonesian clove prices dropped to around USD 8800 after reaching a record high of USD 10,000, due to the start of new harvests in African countries. This year, after a nearly USD 2000 drop following the start of Indonesia's largest clove harvest, prices have rebounded and are continuing to rise. Currently, the FOB price of Lal Pari red cloves in Indonesia is around USD 7400.

## B. Supply:

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

Currently, most suppliers in Indonesia are fully booked for orders until the end of September. Suppliers are also willing to sell their stock; however, due to the current price levels being unmatched by buyers, transactions are not taking place. This hesitation among both suppliers and buyers is contributing to the tight supply situation and maintaining upward pressure on prices. Meanwhile, the new harvest in Madagascar has been delayed, with no indication that it will begin in the coming month.

## C. Demand:

Demand for cloves remains strong, particularly from key markets like India, the UAE, and the tobacco industry, which is experiencing robust growth. Buyers who had initially secured lower-priced contracts with Indonesian suppliers are now facing delay shipments and are actively seeking new sources of supply to fulfill their needs.

## D. Our View:

- **Given the ongoing supply constraints and robust demand, we expect cloves prices to continue increasing.**
- **Diversifying supply sources from African origins to stabilize your procurement.**

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

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