

Vietnam Cashew Update

- The Vietnamese cashew market is experiencing an upward trend, fueled by increasing local prices. We recommend securing your shipments before prices climb further.
- Demand has rebounded, with strong purchasing activity from Middle Eastern and European countries as they prepare for the upcoming winter season.

September 27th, 2024



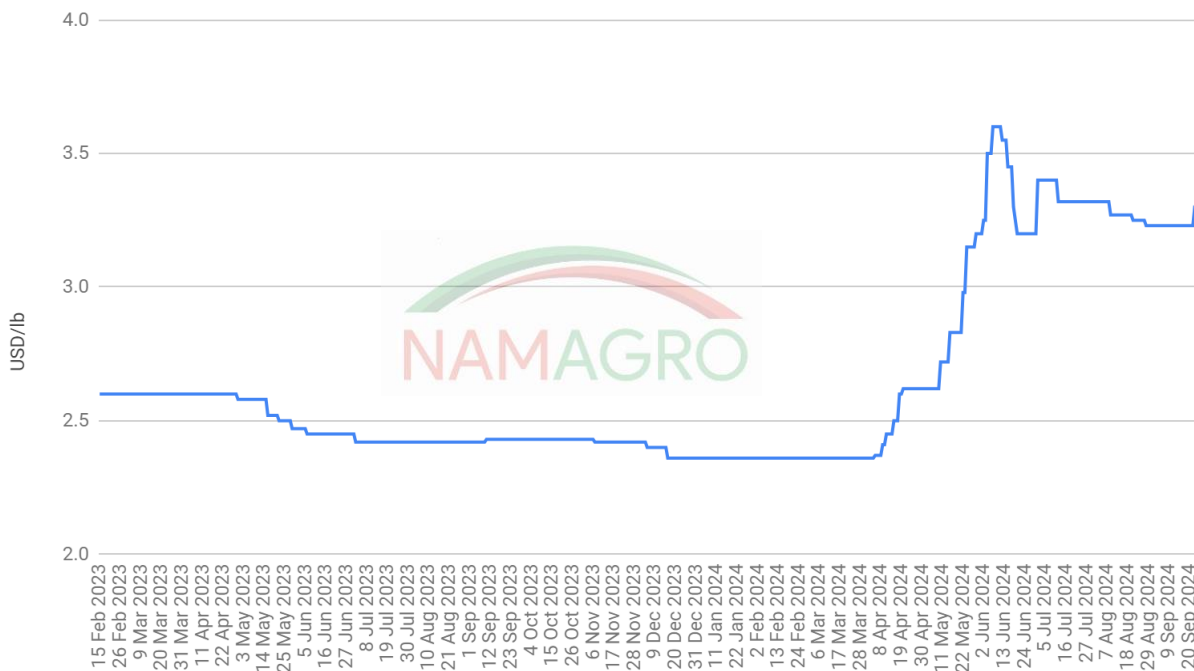
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A. Price:

Price Fob USD/lb Carton packing 50 lbs		October 2024		
Date	27-Sep-2024			
Grade	BRC	Regular		
W240	3.60	3.55		
W320	3.30	3.25		
WS	2.30	2.25		
LP	1.85	1.85		
Offers are subject to reconfirmation and till stocks being unsold				
Offers are for AFI 2012 standard				
For special tests such as Micro, Mycotoxins, Pesticides please get in touch				
Trend BRC W320				
Date	27-Sep-2024	26-Sep-2024	20-Sep-2024	28-Aug-2024
Grade	Today	Previous Day	Previous week	Previous month
W320	3.30	3.3	3.23	3.25
Change	0	0.00%	2.12%	1.54%
Trend Regular W320				
Date	27-Sep-2024	26-Sep-2024	20-Sep-2024	28-Aug-2024
Grade	Today	Previous Day	Previous week	Previous month
W320	3.25	3.25	3.2	3.23
Change	0	0.00%	1.54%	0.62%

W320 BRC shippers



*Source: Prices are indicative and are taken from Namagro trades and market feedback.

B. Supply Side

B1. Raw Cashew Nuts:

Country	Out turn	Price USD/MT BWH	Change
IVC	48	1,580	Reduce
Guinea-Bissau	53	1,770	Reduce
Indonesia	52	1,900	Stable

Source: Namagro traded prices and offers from various RCN sellers

The raw cashew market remains subdued, with minimal new deals taking place.

Offers from West African origins are limited due to the end of the harvest season, with most available goods being lower quality, outturns of 42 and below.

Prices for raw cashews from southern hemisphere origins, while showing slight signs of decline, remain high. Indonesian cashew prices are currently offered at \$1,900 USD/MT for a 52 outturn, driven by exchange rate issues and unpredictable weather patterns, which have resulted in uneven harvests. This has made it increasingly difficult for local processors and traders to source cashews at reasonable prices. Additionally, rising demand from India for Indonesian raw cashew nuts is further impacting current prices. Meanwhile, the market is being supplemented by Guinea Bissau-origin cashews, with offers around \$1,760-\$1,770 for a 53 outturn.

Demand for raw cashews is low, as offers from southern hemisphere countries remain high relative to kernel prices, and there is currently no appetite for low outturn cashews from the Ivory Coast.

B2. KERNELS:

The Vietnamese cashew market has recently seen an upward trend. The current price for WW320 is around \$3.30-\$3.35/lb FOB (BRC quality, AFI standard), while WW240 is priced at approximately \$3.65-\$3.75/lb FOB.

This price increase has been driven by a rise in domestic market prices, as major industry players have raised their purchasing prices. The strategy is intended to push local raw cashew nut prices higher as the West African season comes to an end, and prices in other regions are also rising due to adverse weather conditions and unfavorable exchange rates.

Although buyers continue to seek offers for shipments from November onward, Vietnamese processors remain cautious, prioritizing prompt shipments to minimize risk.

At present, ocean freight rates have decreased across all routes, especially from Asia to Europe and the US West Coast, with reductions of 20-30% compared to previous levels. Rates on other shipping routes have also dropped by 15-25%. It is predicted that freight rates will continue to decline in the near future, due to positive market factors and the resolution of congestion at major ports.

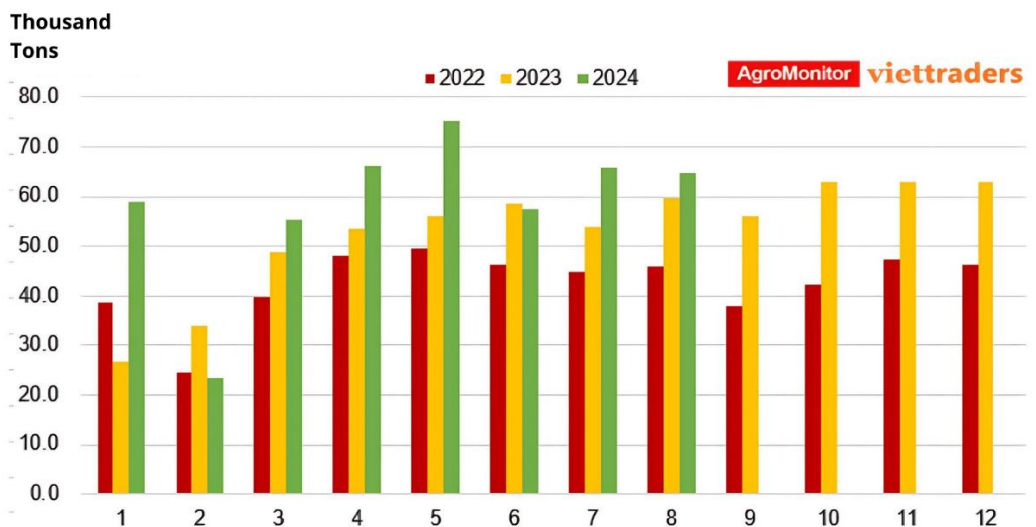
C. Demand:

Buyers are returning and gearing up for the upcoming holiday season. Demand for cashew nuts has resumed from European and Australian buyers, accompanied by a notable increase in inquiries. New transactions have also been recorded in recent times.

Demand from the Middle East is also rising significantly, with numerous new orders being recorded recently as buyers prepare for the winter season.

The U.S. market continues to exhibit weak demand with limited interest, but signs of a recovery are emerging. Inventory levels have dropped sharply, indicating a potential rebound in consumption.

The cashew market is showing positive signs of recovery as the year-end holidays approach. However, some buyers remain cautious in their purchasing decisions, carefully considering demand in the destination country.



Source: AgroMonitor

Cashew export figures for August have been released, showing positive year-over-year growth in Vietnam's cashew exports. Although the export volume of cashew kernels in August 2024 saw a slight decrease compared to the previous month, it still recorded an 8.8% increase compared to the same period last year.

D. Our View:

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- Demand has rebounded, with strong purchasing activity from Middle Eastern and European countries as they prepare for the upcoming winter season.

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

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