

A close-up photograph showing several hands holding cocoa pods of various colors: red, yellow, and green. The pods are arranged in a circular pattern, and the hands are positioned around them, suggesting a market or a display of the product. The background is slightly blurred, focusing attention on the pods and hands.

Cocoa Market Intelligence Report

18th April, 2025

AFEX

Global Market

Cocoa futures for May25 contract experienced a decrease of -1.44% in its closing week from the previous week. The May25 contract closed at GBP 6,087 per ton on Friday, up from GBP 6,176 per ton the previous week. This week, trading activity for ICE London May25 cocoa futures experienced an increase. The total volume traded was 17,114 lots compared 16,481 lots traded in the previous week indicating an increase of 3.84%. With this increase, Tuesday saw the highest level of activity, with 5,542 lots exchanged, marking it as the busiest trading day of the week.

On Wednesday, London cocoa dropped to a 5-month low due to concern that consumer demand for cocoa and cocoa products will decline as the global trade war escalates and tariffs boost already-high cocoa prices. On Thursday, Barry Callebaut AG, one of the world's biggest chocolate makers, cut its annual sales guidance in the face of high cocoa prices and tariff uncertainty.

Concern about the Ivory Coast's upcoming mid-crop is supporting cocoa prices. The mid-crop is the smaller of two annual cocoa harvests, which typically starts this month. The average estimate for this year's Ivory Coast mid-crop is 400,000 MT, down -9% from last year's 440,000 MT. Recent Ivory Coast cocoa exports have slowed, supporting prices. Monday's government data showed that Ivory Coast farmers shipped 1.44 MMT of cocoa to ports this marketing year from October 1 to April 6, up +11% from last year but down from the much larger 35% rise seen in December.

Also on the bearish side, Nigeria reported on February 27 that its Jan cocoa exports jumped +27% y/y to 46,970 MT. Nigeria is now the world's fifth-largest cocoa producer.

ICE London Market Performance

The cocoa market experienced notable price fluctuations with market price below what was traded in the previous week, with a high of GBP 6,284 on Monday and a low of GBP 5,689 on Wednesday. The weekly weighted average closing price was GBP 5,935.15 per contract, marking a decrease from the previous Friday's weighted closing price.

ICE London Cocoa Market Trends



Fig1: Illustrates the price trend on ICE London.

ICE London Trading Activity

This week, trading activity for ICE London May25 cocoa futures experienced an increase. The total volume of contracts traded was 17,114 lots which indicates a 3.84% increase from the 16,481 lots traded in the previous week. Tuesday saw the highest level of activity, with 5,542 lots exchanged, marking it as the busiest trading day of the week.

ICE US Trading Activity

The US Cocoa contracts closed the week at \$8,339 equivalent to NGN13,341,899.66, Compared to the NGN12,923,433.75 equivalent of the closing price on the ICE London contract. The US Cocoa contract has a spread of NGN +2 Million against the Local LBA price In Nigeria.

Trading Analysis

The most recent Commitment of Traders report for cocoa shows key positioning among different market participants. Producers held 65,942 long positions and 73,523 short positions, indicating their continuous interest in hedging against falling prices since almost the beginning of the year.

Spread Analysis: Global Vs Local Prices

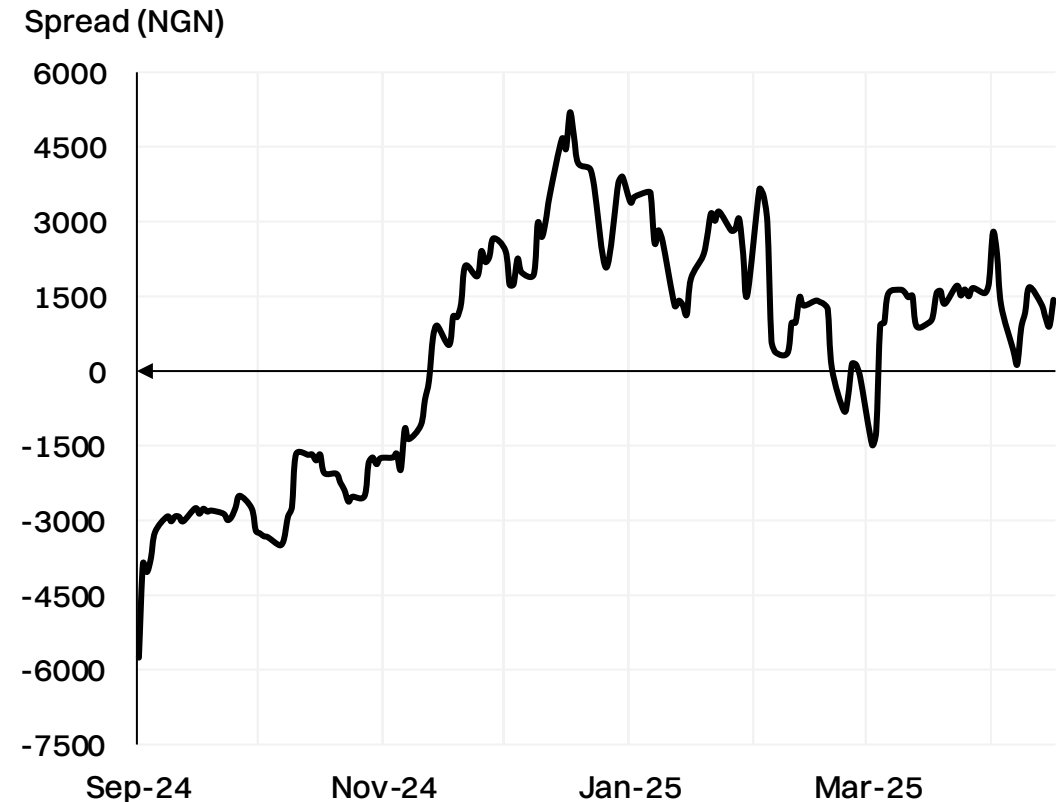


Fig2: Illustrates the spread between cocoa prices in Nigeria vs ICE London prices

Domestic Market

During the week ending 11th April 2025, local contracts on the Africa Exchange increased by 0.48%, closing at NGN 11,182.90 from NGN 11,129.

Farmgate prices were quoted at NGN 9,850 per Kg, Broker prices were quoted at NGN 10,450 per kg, while LBA prices were quoted at NGN 11,070 per Kg

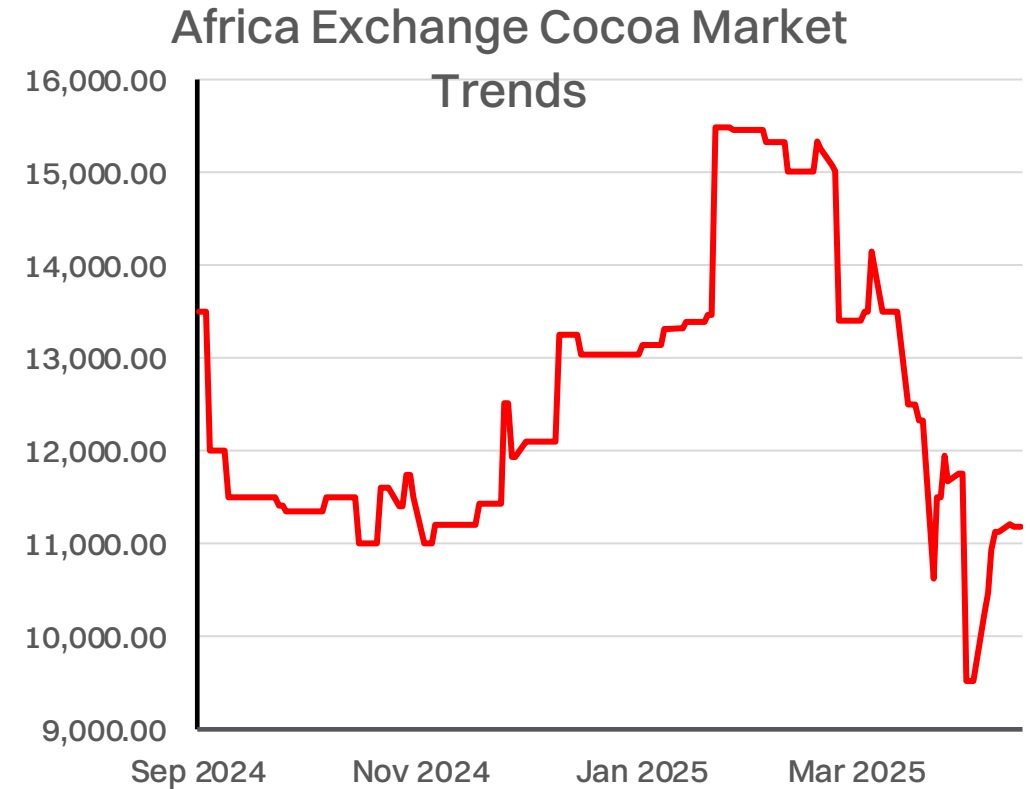


Fig5: Illustrates cocoa price trend on Africa Exchange



THANK YOU

AFEX