

# C O F F E E

Agriwatch  
DAILY

## C O F F E E

June 20, 2007

### SPOT MARKETS

Coffee prices remain firm in domestic markets owing to tight supply situation supported by firm global coffee prices. While harvesting in Indonesia is on high, but it may not be enough to fill a global shortfall. However some increased sales are being seen in India ahead of the monsoon season, when storage is more difficult. According to Indian Coffee Board, total provisional coffee export was 121082 metric tonnes during January 1 to June 18, 2007 as against 123301 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 173.961 metric tonnes as on June 16, 2007.

### FUTURES MARKETS

MCX coffee July contract opened at Rs. 7500/qty. Contract then traded up to high of Rs. 7515/qty and then down to a low of Rs.7420/qty. The contract was closed at Rs. 7457/qty, Rs. 42 down by the previous close of Rs. 7499/qty. The volume of July contract traded decreased, while the open interest decreased marginally as compared to the previous trading session.

### PRICE DRIVERS

#### Bullish:

1. Delay in crop picking in Columbia.
2. Seasonal frost fears in Brazil.
3. Most of Vietnam's 2006-07 harvest has been sold.

#### Bearish:

1. Coffee production in India is expected to rise by 4%
2. Flow of fresh coffee supplies from Indonesia's coffee harvest.

### WEATHER

Rain/thundershowers are likely at most places over Kerala, Coastal Karnataka, Lakshadweep and Andaman & Nicobar Islands and at a few places over Andhra Pradesh and over rest regions in South India during next 36 hours and increase thereafter. This is favorable for the coffee plantation. While heavy to very heavy rainfall is likely at a few places over Andaman & Nicobar Island, Konkan, Coastal Karnataka, Kerala, Lakshadweep, northeastern states, West Bengal & Sikkim which is quite unfavorable to coffee plantation.

### TECHNICALS

Prices closed below 9-day EMA, while close above 18-day EMA, indicating that short-term trend remains bearish while intermediate-term trend remains bullish. MACD slightly declining in positive region. 9-day RSI is moving downward in neutral region. While stochastic is declining in neutral region. The volume of July contract traded decreased, while the open interest decreased marginally as compared to the previous trading session. Coffee futures are likely to trade upward, following a steady to weak opening.

### MCX Coffee Robusta July Contract

Coffee Robusta 0707(MXCOFN7)2007/06/19 - Daily B:7460.00 A:7498.00  
O 7497.00 H 7515.00 L 7420.00 C 7457.00 V 13 T 121301 -42  
EMA(9) 7502.1 (18) 7448.4



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	7365	7420	7457	7550	7565

### TRADE RECOMMENDATION

Buy MCX July Coffee near Rs. 7450-7460 with a target at Rs. 7505 and then Rs. 7545 with a strict stop loss at Rs.7430. Trade cautiously with intra day outlook.

### DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		16.06.2007	18.06.2007
Karnataka	Arabica Plantation	4105-4155	4055-4155
	Arabica Cherry	1975-2085	1975-2085
	Robusta Parchment	3500-3600	3455-3605
	Robusta Cherry	1785-1865	1785-1865

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# COFFEE

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## COFFEE

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### INTERNATIONAL FUTURES QUOTES (AS OF JUNE 19, 2007)

#### NYBOT (Coffee 'C')

US Cents/lb

Contract Month	Open	High	Low	Settle	Change
July 2007	114.25	114.85	112.65	113.35	-1.85
September 2007	116.60	117.10	114.60	115.80	-1.25
December 2007	120.70	120.90	118.70	119.65	-1.25

#### LCE (London Coffee)

US \$/tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1855.00	1863.00	1823.00	1859.00	+4.00
September 2007	1873.00	1885.00	1840.00	1873.00	-3.00
November 2007	1868.00	1872.00	1839.00	1865.00	-1.00

### ICO INDICATOR PRICES

US Cents/lb

Variety	Market	15.06.07	18.06.07	Change
Colombian Mild Arabicas	New York	124.25	124.00	-
Other Mild Arabicas	New York	120.50	120.50	-
Brazilian Natural Arabicas	New York	107.25	107.00	-0.25
Robusta	New York	95.00	95.00	-

### INTERNATIONAL MARKET RECAP

#### LIFFE Coffee Futures Settle Mixed on Tuesday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished mixed on Tuesday. The July futures finished high at \$1859 per metric tonne, up by \$4 per metric tonne from previous settlement. While the September futures finished down at \$1873 per metric tonne, down by \$3 per metric tone from previous settlement.

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