

# C O F F E E

**Agriwatch**  
D A I L Y

## C O F F E E

June 26, 2007

### SPOT MARKETS

Coffee prices remain firm in domestic markets owing to tight supply situation supported by firm global coffee prices. According to Ministry of Agriculture, Brazil's 2007/08 coffee production is estimated as 32.1 million bags of 60 kilograms, of which 22.3 million bags (69.5%) of arabica and 9.8 million bags (30.5%) of robusta. Compared to previous crop, the reduction is estimate to be of 24.6% i.e. by 10.4 million bags. According to Indian Coffee Board, total provisional coffee export was 125050 metric tonnes during January 1 to June 22, 2007 as against 126073 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 170.956 metric tonnes as on June 23, 2007.

### FUTURES MARKETS

MCX coffee July contract opened at Rs. 7591/ctl., than traded up to a high of Rs.7600/ctl and then down to a low of Rs.7585/ctl. The contract was closed at Rs. 7592/ctl, Rs.28 down by the previous close of Rs. 7620/ctl. The volume of July contract traded decreased drastically, 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. Flow of fresh coffee supplies from Indonesia's coffee harvest.

### WEATHER

Rain/thundershowers are likely at most places over Kerala, Coastal Karnataka, 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, northeastern states, West Bengal & Sikkim which is quite unfavorable to coffee plantation.

### TECHNICALS

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

### MCX Coffee Robusta July Contract



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	7545	7560	7592	7620	7640

### TRADE RECOMMENDATION

Sell MCX July Coffee near Rs. 7585-7598 with a target at Rs. 7585 and then Rs. 7565 with a strict stop loss at Rs.7610. Trade cautiously with intra day outlook.

### DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		19.06.2007	21.06.2007
Karnataka	Arabica Plantation	4105-4155	4080-4200
	Arabica Cherry	1975-2085	1975-2100
	Robusta Parchment	3450-3600	3465-3680
	Robusta Cherry	1800-1865	1825-1900

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# COFFEE

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DAILY

COFFEE

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## INTERNATIONAL FUTURES QUOTES (AS OF JUNE 25, 2007)

### NYBOT (Coffee 'C')

US Cents/lb

Contract Month	Open	High	Low	Settle	Change
July 2007	113.00	113.00	110.00	110.00	-3.60
September 2007	114.25	114.30	111.00	111.15	-4.25
December 2007	117.50	118.10	115.00	115.05	-4.25

### LCE (London Coffee)

US \$/tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1900.00	1903.00	1874.00	1879.00	-25.00
September 2007	1905.00	1917.00	1880.00	1888.00	-26.00
November 2007	1900.00	1906.00	1875.00	1881.00	-21.00

## ICO INDICATOR PRICES

US Cents/lb

Variety	Market	21.06.07	22.06.07	Change
Colombian Mild Arabicas	New York	123.75	123.00	-0.75
Other Mild Arabicas	New York	120.25	119.13	-1.12
Brazilian Natural Arabicas	New York	107.75	106.50	-1.25
Robusta	New York	97.50	96.75	-0.75

## INTERNATIONAL MARKET RECAP

### LIFFE Coffee Futures Settle at Lower Side on Monday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished at lower side on Monday, continued Profit-taking from last weak and speculative selling resulted in to downward movement of the market. The July futures finished down at \$1879 per metric tonne, down by \$25 per metric tonne from previous settlement. The September futures finished down at \$1888 per metric tonne, down by \$26 per metric tone from previous settlement.

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