

# COFFEE

Agriwatch  
DAILY

## COFFEE

June 27, 2007

### SPOT MARKETS

Coffee prices remain comparatively weak in domestic markets, as growers keen to dispose off their coffee, due to monsoon rains makes storage more difficult. Vietnam's robusta coffee exports in June probably rose 21% on the year to 75,000 tons, the nation's General Statistics Office said. According to Indian Coffee Board, total provisional coffee export was 126520 metric tonnes during January 1 to June 25, 2007 as against 128522 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 25, 2007.

### FUTURES MARKETS

MCX coffee July contract opened at Rs. 7570/qty., then traded up to a high of Rs.7600/qty and then down to a low of Rs.7565/qty. The contract was closed at Rs. 7577/qty, Rs.15 down by the previous close of Rs. 7592/qty. The volume of July contract traded further 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. Flow of fresh coffee supplies from Indonesia's coffee harvest.
2. Continuing warm weather in Brazil

### 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. The weather is favorable for the 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 slightly rising in neutral region. The volume of July contract traded further 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



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	7535	7550	7577	7610	7635

### TRADE RECOMMENDATION

Sell MCX July Coffee near Rs. 7570-7580 with a target at Rs. 7590 and then Rs. 7605 with a strict stop loss at Rs.7560. 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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### INTERNATIONAL FUTURES QUOTES (AS OF JUNE 26, 2007)

#### NYBOT (Coffee 'C')

US Cents/lb

Contract Month	Open	High	Low	Settle	Change
July 2007	110.00	110.00	109.50	109.95	-0.05
September 2007	111.00	112.30	111.00	111.90	+0.75
December 2007	115.00	116.00	114.90	115.80	+0.75

#### LCE (London Coffee)

US \$/tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1900.00	1903.00	1874.00	1873.00	-6.00
September 2007	1905.00	1917.00	1880.00	1888.00	+3.00
November 2007	1900.00	1906.00	1875.00	1881.00	-21.00

### ICO INDICATOR PRICES

US Cents/lb

Variety	Market	22.06.07	25.06.07	Change
Colombian Mild Arabicas	New York	123.00	118.75	-4.25
Other Mild Arabicas	New York	119.13	114.88	-4.25
Brazilian Natural Arabicas	New York	106.50	102.25	-4.25
Robusta	New York	96.75	95.75	-1.00

### 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 settle red at \$1873 per metric tonne, down by \$6 per metric tonne from previous settlement. The September futures finished down at \$1891 per metric tonne, up by \$3 per metric tone from previous settlement.

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