

COFFEE

Agriwatch
DAILY

COFFEE

June 29, 2007

SPOT MARKETS

Coffee prices remain firm in domestic markets. In Brazil the weather conditions remain dry and warm, which is favorable for crop maturity and coffee harvesting. It was also reported, that farmers picked 35 percent of the 2007/08 crop by June 12 as compared with 25% harvested by this time last year. The 2007/08 crop yield is estimated at 36.5 million bags. According to Indian Coffee Board, total provisional coffee export was 128903 metric tonnes during January 1 to June 27, 2007 as against 129916 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 27, 2007.

FUTURES MARKETS

MCX coffee July contract opened at Rs. 7560/ctl. Then traded up to the high of Rs.7594/ctl and then down to a low of Rs.7560/ctl. The contract was closed at Rs. 7592/ctl, Rs.40 up by the previous close of Rs. 7552/ctl. The volume of July contract traded increased marginally, 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. Favorable weather for coffee Harvesting, 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 and 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 increasing in neutral region, while stochastic is moving downward in neutral region. The volume of July contract traded increased marginally, 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

Coffee Robusta 0707(MXC0FN7)2007/06/28 - Daily

O 7594.00 H 7594.00 L 7581.00 C 7592.00 V 26 T 12 I 220 +40

EMA(9) 7571.2 (18) 7529.8



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	7555	7565	7592	7620	7645

TRADE RECOMMENDATION

Sell MCX July Coffee near Rs. 7580-7595 with a target at Rs. 7585 and then Rs. 7570 with a strict stop loss at Rs.7605. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		21.06.2007	25.06.2007
Karnataka	Arabica Plantation	4080-4200	4050-4200
	Arabica Cherry	1975-2100	1975-2100
	Robusta Parchment	3465-3680	3465-3615
	Robusta Cherry	1825-1900	1815-1900

COMMODITIES RESEARCH

INTERNATIONAL FUTURES QUOTES (AS OF JUNE 28, 2007)

NYBOT (Coffee 'C')

US Cents/lb

Contract Month	Open	High	Low	Settle	Change
July 2007	110.80	110.80	110.80	110.80	+0.40
September 2007	112.10	113.70	110.90	112.60	+0.40
December 2007	115.30	117.30	114.80	116.50	+0.40

LCE (London Coffee)

US \$/tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1858.00	1861.00	1833.00	1845.00	-2.00
September 2007	1875.00	1884.00	1855.00	1869.00	+2.00
November 2007	1857.00	1870.00	1847.00	1863.00	+6.00

ICO INDICATOR PRICES

US Cents/lb

Variety	Market	26.06.07	27.06.07	Change
Colombian Mild Arabicas	New York	118.50	120.25	+1.75
Other Mild Arabicas	New York	115.75	116.00	+0.25
Brazilian Natural Arabicas	New York	103.00	103.25	+0.25
Robusta	New York	95.75	95.00	-0.75

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle at Lower side on Thursday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished low on Wednesday, due to Origin selling and a fall in New York market. The July futures settle at lower level at \$1845 per metric tonne, down by \$3 per metric tonne from previous settlement. The September futures finished up at \$1863 per metric tonne, up by \$6 per metric tonne from previous settlement.

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