

# C O F F E E

Agriwatch  
DAILY

## C O F F E E

June 15, 2007

### SPOT MARKETS

Coffee prices remain firm in domestic markets owing to tight supply situation supported by firm global coffee prices due to tight robusta supplies and strong global demand. Indonesian coffee supply is being hampered as a result of delay in coffee harvest due to heavy rains. According to International Coffee Organization, Vietnam has had serious quality problems with its current crop. Many export lots of robusta coffee from Vietnam were rejected in European ports. According to Indian Coffee Board, total provisional coffee export was 118485 metric tonnes during January 1 to June 13, 2007 as against 121311 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 13, 2007.

### FUTURES MARKETS

MCX coffee July contract opened at Rs. 7540/qrtl same as of intra-day high and then down to a low of Rs. 7525/qrtl. The contract was closed at Rs. 7533/qrtl, Rs. 40 down by the previous close of Rs. 7573/qrtl. 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. Wet weather continues to delay picking and drying of Indonesia's crop.

#### Bearish:

1. Coffee production in India is expected to rise by 4%, as a result of early rains.

### WEATHER

Rain/thundershowers are likely at many places over Kerala, Coastal Karnataka, Lakshadweep and Andaman & Nicobar Islands and at a few places over Interior Karnataka and isolated over the rest region outside Tamil Nadu where it will be isolated. 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 rising in positive region supporting the firmness in the market. 9-day RSI is moving upward in neutral region. While stochastic is declining in neutral region. Volume has decreased, while open interest has decreased marginally as compared to previous settlement. Coffee futures are likely to trade upward, following a steady to firm opening.



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	7485	7504	7533	7560	7597

### TRADE RECOMMENDATION

Buy MCX July Coffee near Rs. 7530-7545 with a target at Rs. 7555 and then Rs. 7575 with a strict stop loss at Rs.7515. Trade cautiously with intra day outlook.

### DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		07.06.2007	14.06.2007
Karnataka	Arabica Plantation	4115-4255	4100-4250
	Arabica Cherry	2050-2140	2050-2150
	Robusta Parchment	3465-3530	3450-3530
	Robusta Cherry	1750-1805	1750-1800

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# COFFEE

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## INTERNATIONAL FUTURES QUOTES (AS OF JUNE 14, 2007)

### NYBOT (Coffee 'C')

US Cents/lb

Contract Month	Open	High	Low	Settle	Change
July 2007	115.00	115.70	114.30	114.70	-0.05
September 2007	117.15	118.15	116.90	117.20	-
December 2007	121.10	121.90	120.85	121.05	-

### LCE (London Coffee)

US \$/tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1832.00	1863.00	1831.00	1852.00	+4.00
September 2007	1853.00	1884.00	1850.00	1875.00	+7.00
November 2007	1853.00	1876.00	1851.00	1870.00	+2.00

## ICO INDICATOR PRICES

### LCE (London Coffee)

US Cents/lb

Variety	Market	13.06.07	14.06.07	Change
Colombian Mild Arabicas	New York	121.50	124.25	+2.75
Other Mild Arabicas	New York	118.00	120.50	+2.50
Brazilian Natural Arabicas	New York	104.50	108.25	+3.75
Robusta	New York	95.25	94.75	-0.50

## INTERNATIONAL MARKET RECAP

### LIFFE Coffee Futures Ended Slightly Higher

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished little higher on Friday. The July futures finished high at \$1852 per metric tonne, up by \$4 per metric tonne from previous settlement. While the September futures finished high at \$1875 per metric tonne, down by \$7 per metric tone from previous settlement.

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