

C O F F E E

June 28, 2007

SPOT MARKETS

Coffee prices remain firm in domestic markets. Brazil, from June 1 to 25, exported 1.116 million bags. The Brazilian government announced it will auction 1 million on July 11th, as part of the Pepro Program (Producer Premium Equalization). According to Indian Coffee Board, total provisional coffee export was 128014 metric tonnes during January 1 to June 26, 2007 as against 129086 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 26, 2007.

FUTURES MARKETS

MCX coffee July contract opened at Rs. 7616/ctl. Same as of intra-day high and then down to a low of Rs.7530/ctl. The contract was closed at Rs. 7552/ctl, Rs.25 down by the previous close of Rs. 7577/ctl. The volume of July contract traded increased, 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 slightly above of 18-day EMA, indicating that short-term as well as intermediate-term trend remains bullish. MACD slightly decline in positive region. 9-day RSI as well as stochastic is moving downward in neutral region. The volume of July contract traded increased, 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)2007/06/27 - Daily
O 7600.00 H 7600.00 L 7530.00 C 7552.00 V 23 T 18 I 244 -25
EMA(9) 7566.0 (18) 7522.5



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX July	7460	7490	7552	7590	7635

TRADE RECOMMENDATION

Sell MCX July Coffee near Rs. 7540-7555 with a target at Rs. 7520 and then Rs. 7495 with a strict stop loss at Rs.7575. 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

COFFEE

Agriwatch
DAILY

COFFEE

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INTERNATIONAL FUTURES QUOTES (AS OF JUNE 27, 2007)

NYBOT (Coffee 'C')

US Cents/lb

Contract Month	Open	High	Low	Settle	Change
July 2007	109.60	110.50	109.60	110.40	+0.45
September 2007	111.50	112.40	111.00	112.20	+0.30
December 2007	115.40	116.10	115.00	116.10	+0.30

LCE (London Coffee)

US \$/tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1876.00	1880.00	1834.00	1848.00	-25.00
September 2007	1890.00	1894.00	1851.00	1867.00	-24.00
November 2007	1882.00	1883.00	1848.00	1857.00	-26.00

ICO INDICATOR PRICES

US Cents/lb

Variety	Market	25.06.07	26.06.07	Change
Colombian Mild Arabicas	New York	118.75	118.50	-0.25
Other Mild Arabicas	New York	114.88	115.75	+0.87
Brazilian Natural Arabicas	New York	102.25	103.00	+0.75
Robusta	New York	95.75	95.75	-

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle at Lower side on Wednesday

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 \$1848 per metric tonne, down by \$25 per metric tonne from previous settlement. The September futures finished down at \$1867 per metric tonne, down by \$24 per metric tone from previous settlement.

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