

COFFEE

Agriwatch
DAILY

COFFEE

July 20, 2007

SPOT MARKETS

Coffee domestic spot market prices were up on Thursday. Coffee prices in Brazil's internal market were higher than the world average. India intends to pump in Rs 90 crore over the next five years to boost consumption of coffee by 50 per cent on the back of higher disposable incomes driving growth. The country's consumption of the commodity is between 80,000-85,000 tonnes annually. According to Indian Coffee Board, total provisional coffee export was 138806 metric tonnes during January 1 to July 18, 2007 as against 145619 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 164.915 metric tonnes as on July 18, 2007.

FUTURES MARKETS

MCX coffee August contract opened at Rs.7735/qty. and traded up to the high of Rs. 7808/qty. and then down to a low of Rs.7730/qty. The contract was closed at Rs.7795/qty, Rs.71 up by the previous close of Rs.7724/qty. The volume of August contract increased drastically, while open interest increased marginally, as compared to the previous trading session.

PRICE DRIVERS

Bullish:

1. Delay in crop picking in Columbia.
2. Most of Vietnam's 2006-07 harvest has been sold.
3. Rise in global coffee export.
4. Coffee quality problems in Vietnam.

Bearish:

1. Flow of fresh coffee supplies from Indonesia's coffee harvest.
2. Favorable weather for coffee Harvesting, in Brazil.
3. India's coffee output expected to rise.

WEATHER

Rain/thundershowers are likely at most places over Kerala, Coastal Karnataka, Andaman & Nicobar Islands, Konkan & Goa 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 EMA and 18-day EMA indicating that short-term trend as well as intermediate-term trend remains bullish. MACD declining in positive region. 9-day RSI is rising in neutral region. Stochastic is slightly increasing in neutral region. The volume of August contract increased drastically, while open interest increased marginally, as compared to the previous trading session. Coffee futures are likely to trade upward, following a steady to firm opening.

MCX Coffee Robusta August Contract

Coffee Robusta 0708(MXCOFQ7)2007/07/19 - Daily B:7793.00 A:7797.00
O 7735.00 H 7808.00 L 7730.00 C 7795.00 V 289 T 160 I 368 +71
EMA(9) 7685.5 (18) 7666.9



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7698	7732	7795	7838	7860

TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7788-7808 with a target at Rs. 7812 and then Rs. 7835 with a strict stop loss at Rs.7780. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		14.06.2007	18.06.2007
Karnataka	Arabica Plantation	3780-3950	3865-4000
	Arabica Cherry	1850-1900	1875-1950
	Robusta Parchment	3550-3615	3550-3625
	Robusta Cherry	1800-1850	1810-1850

COMMODITIES RESEARCH

COFFEE

Agriwatch
DAILY

COFFEE

July 20, 2007

INTERNATIONAL FUTURES QUOTES (AS OF JULY 19, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
July 2007	113.75	113.75	112.75	112.75	+0.25
September 2007	115.25	115.45	113.70	114.25	+0.25
1December 2007	119.25	119.25	117.75	118.20	+0.20

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1868.00	1870.00	1852.00	1858.00	+14.00
September 2007	1876.00	1887.00	1865.00	1877.00	+23.00
November 2007	1875.00	1883.00	1867.00	1879.00	+23.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	17.06.07	18.06.07	Change
Colombian Mild Arabicas	New York	121.00	121.50	+0.50
Other Mild Arabicas	New York	116.13	117.63	+1.50
Brazilian Natural Arabicas	New York	104.50	106.00	+1.50
Robusta	New York	91.63	92.63	+1.00

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle High on Thursday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished high on Thursday. The most active September futures finished high at \$1877 per metric tonne, up by \$23 per metric tonne from previous settlement. While November contract settle high at \$1879 per metric tonne, up by \$23 per metric tonne from previous settlement.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.

COMMODITIES RESEARCH