

C O F F E E

Agriwatch
DAILY

C O F F E E

July 05, 2007

SPOT MARKETS

On Wednesday coffee spot market prices showed a downtrend. Indonesia's coffee export is increased in volume as well as in value this year, according to Indonesian trade ministry official. Guatemala from Oct. 1 through June exported 2.761 million bags (1 bag = 60kg.), up by 11% from the year-earlier span. According to Indian Coffee Board, total provisional coffee export was 131722 metric tonnes during January 1 to July 03, 2007 as against 133592 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 179.956 metric tonnes as on July 03, 2007.

FUTURES MARKETS

MCX coffee August contract opened at Rs. 7634/ctl. then traded up to a high of Rs.7670/ctl. and then down to a low of Rs.7631/ctl. The contract was closed at Rs. 7666/ctl, Rs.30 up by the previous close of Rs. 7636/ctl. The volume of August contract decreased drastically, while open interest decreased 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.

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, 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 slightly decline in positive region. 9-day RSI is rising in neutral region. Stochastic is slightly increasing in neutral region. The volume of August contract decreased drastically, while open interest decreased 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



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7615	7630	7666	7695	7710

TRADE RECOMMENDATION

BuyCX August Coffee near Rs. 7662-7672 with a target at Rs. 7680 and then Rs. 7692 with a strict stop loss at Rs.7652. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		30.06.2007	02.06.2007
Karnataka	Arabica Plantation	3965-4065	4000-4065
	Arabica Cherry	1850-2025	1875-2025
	Robusta Parchment	3465-3615	3525-3640
	Robusta Cherry	1800-1925	1825-1925

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INTERNATIONAL FUTURES QUOTES (AS OF JULY 03 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
July 2007	109.25	109.25	109.10	109.10	-1.10
September 2007	111.10	111.85	110.30	111.10	-0.90
1December 2007	115.10	115.15	114.25	115.15	-0.85

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1877.00	1887.00	1863.00	1867.00	-17.00
September 2007	1900.00	1907.00	1878.00	1887.00	-19.00
November 2007	1886.00	1893.00	1871.00	1881.00	-17.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	02.06.07	03.06.07	Change
Colombian Mild Arabicas	New York	119.50	118.50	-1.00
Other Mild Arabicas	New York	115.38	114.38	-1.00
Brazilian Natural Arabicas	New York	103.00	102.00	-1.00
Robusta	New York	96.25	95.25	-1.00

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle at Higher Level on Wednesday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished green on Wednesday. The November futures settle at higher level at \$1899 per metric tonne, up by \$18 per metric tonne from previous settlement. The September futures finished up at \$1909 per metric tonne, up by \$22 per metric tonne from previous settlement.

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