

COFFEE

Agriwatch
DAILY

COFFEE

July 12, 2007

SPOT MARKETS

Coffee domestic spot market prices were rise on Tuesday. Vietnam's robusta coffee production for the 2007-08 crop year starting in November is projected to fall 3.2% to 900,000 metric tons, or 15million 60 kilogram bags, compared with the previous bumper harvest of 930,000 tons or 15.5 million bags. According to Indian Coffee Board, total provisional coffee export was 135119 metric tonnes during January 1 to July 09, 2007 as against 139172 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 167.900 metric tonnes as on July 09, 2007.

FUTURES MARKETS

MCX coffee August contract opened at Rs.7800/ctl. then traded up to a high of Rs.7879/ctl. and then down to a low of Rs.7800/ctl. The contract was closed at Rs.7862/ctl, Rs.65 up by the previous close of Rs.7797/ctl. 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.

Bearish:

1. Flow of fresh coffee supplies from Indonesia's coffee harvest.
2. Favorable weather for coffee Harvesting, in Brazil.
3. Decline in Coffee export.

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 rising in positive region. 9-day RSI is rising in overbought region. Stochastic is 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)2007/07/11 - Daily B:7860.00 A:7867.00
O 7803.00 H 7879.00 L 7800.00 C 7862.00 V 283 T 188 I 315 +65
EMA(9) 7726.5 (18) 7674.1



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7770	7812	7862	7895	7925

TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7855-7870 with a target at Rs. 7877 and then Rs. 7892 with a strict stop loss at Rs.7848. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		07.06.2007	09.06.2007
Karnataka	Arabica Plantation	3855-3955	3855-3955
	Arabica Cherry	1875-1950	1875-1950
	Robusta Parchment	3615-3765	3615-3765
	Robusta Cherry	1865-1925	1865-1925

COMMODITIES RESEARCH

COFFEE

Agriwatch
DAILY

COFFEE

July 12, 2007

INTERNATIONAL FUTURES QUOTES (AS OF JULY 11, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
July 2007	109.00	109.20	108.50	109.20	+0.70
September 2007	111.90	112.10	111.10	111.85	+0.70
1December 2007	116.00	116.10	115.25	115.80	+0.75

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1891.00	1918.00	1886.00	1910.00	+28.00
September 2007	1903.00	1930.00	1897.00	1921.00	-
November 2007	1892.00	1922.00	1889.00	1912.00	+1.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	09.06.07	10.06.07	Change
Colombian Mild Arabicas	New York	118.00	121.25	+3.25
Other Mild Arabicas	New York	112.50	114.63	+2.13
Brazilian Natural Arabicas	New York	100.50	102.25	+1.75
Robusta	New York	95.75	95.88	+0.13

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle Nearly Unchanged on Wednesday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished nearly unchanged on Wednesday. The November futures settle slightly higher level at \$1912 per metric tonne, up by \$1 per metric tonne from previous settlement. The September futures finished unchanged at \$1921 per metric tonne.

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