

COFFEE

Agriwatch
DAILY

COFFEE

July 11, 2007

SPOT MARKETS

Coffee domestic spot market prices were fall on Monday. The Colombian government plans to help renovate 300,000 hectares of old, unproductive coffee plantations over the next five years. Colombia has 800,000 hectares of coffee. The target is to replant 60,000 hectares yearly for five years. According to Indian Coffee Board, total provisional coffee export was 134562 metric tonnes during January 1 to July 09, 2007 as against 138631 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.7700/ctl. then traded up to a high of Rs.7702/ctl. and then down to a low of Rs.7700/ctl. The contract was closed at Rs. 7797/ctl, Rs.99 up by the previous close of Rs.7698/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.
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 slightly decline in positive region. 9-day RSI is rising in overbought region. Stochastic is 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

Coffee Robusta 0708(MXCOFQ7)2007/07/10 - Daily B:7797.00 A:7805.00
O 7700.00 H 7805.00 L 7700.00 C 7797.00 V 186 T 1251304 +99



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7660	7730	7797	7838	7870

TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7792-7810 with a target at Rs. 7820 and then Rs. 7835 with a strict stop loss at Rs.7782. 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

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INTERNATIONAL FUTURES QUOTES (AS OF JULY 10, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
July 2007	107.50	108.50	107.50	108.50	+1.45
September 2007	109.90	111.90	109.80	111.15	+1.75
1December 2007	114.00	115.55	113.90	115.05	+1.60

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	+27.00
November 2007	1892.00	1922.00	1889.00	1911.00	+28.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	06.06.07	09.06.07	Change
Colombian Mild Arabicas	New York	117.25	118.00	+0.75
Other Mild Arabicas	New York	112.88	112.50	-0.38
Brazilian Natural Arabicas	New York	101.75	100.50	-1.25
Robusta	New York	95.75	95.75	-

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle Nearly Unchanged on Tuesday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished nearly unchanged on Tuesday, after gains from speculative and industry buying were boosted by a rise in New York arabica futures. The November futures settle at higher level at \$1911 per metric tonne, up by \$28 per metric tonne from previous settlement. The September futures finished down at \$1921 per metric tonne, down by \$27 per metric tone from previous settlement.

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