

# COFFEE

Agriwatch  
DAILY

## COFFEE

July 10, 2007

### SPOT MARKETS

Coffee domestic spot market prices were unchanged on Monday. China's coffee exports doubled 18,000 tons in the first six months of 2007 compare to same period in previous year. China aims to expand its coffee industry, with a focus on arabica coffee. Tanzania's 2007-08 coffee output is expected to rise 15.6% on the year to 52,000 tons. According to Indian Coffee Board, total provisional coffee export was 133614 metric tonnes during January 1 to July 06, 2007 as against 135060 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 06, 2007.

### FUTURES MARKETS

MCX coffee August contract opened at Rs.7682qtl. then traded up to a high of Rs.7702/qtl. and then down to a low of Rs.7680/qtl. The contract was closed at Rs. 7698/qtl, Rs.12 up by the previous close of Rs.7686/qtl. The volume of August contract increased drastically, while open interest decreased drastically, 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 neutral region. Stochastic is increasing in neutral region. The volume of August contract increased drastically, while open interest decreased drastically, 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	7670	7680	7698	7718	7725

### TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7695-7705 with a target at Rs. 7710 and then Rs. 7715 with a strict stop loss at Rs.7690. Trade cautiously with intra day outlook.

### DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		04.06.2007	07.06.2007
Karnataka	Arabica Plantation	3955-4050	3855-3955
	Arabica Cherry	1900-2015	1875-1950
	Robusta Parchment	3550-3650	3615-3765
	Robusta Cherry	1825-1900	1865-1925

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## INTERNATIONAL FUTURES QUOTES (AS OF JULY 09, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
July 2007	108.00	108.00	107.00	107.05	-0.20
September 2007	110.00	110.50	109.25	109.40	-0.35
1December 2007	113.90	114.10	113.45	113.45	-0.35

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1881.00	1883.00	1873.00	1882.00	-
September 2007	1899.00	1903.00	1884.00	1894.00	-3.00
November 2007	1880.00	1890.00	1870.00	1883.00	+1.00

## ICO INDICATOR PRICES

US Cents / lb

Variety	Market	05.06.07	06.06.07	Change
Colombian Mild Arabicas	New York	118.00	117.25	-0.75
Other Mild Arabicas	New York	113.88	112.88	-1.00
Brazilian Natural Arabicas	New York	102.50	101.75	-0.75
Robusta	New York	96.50	95.75	-0.75

## INTERNATIONAL MARKET RECAP

### LIFFE Coffee Futures Settle Nearly Unchanged on Monday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished nearly unchanged on Monday, after trading in a tight range with some light trade buying countered by some selling. The November futures settle at higher level at \$1883 per metric tonne, up by \$1 per metric tonne from previous settlement. The September futures finished down at \$1894 per metric tonne, down by \$3 per metric tone from previous settlement.

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