

COFFEE

Agriwatch
DAILY

COFFEE

July 16, 2007

SPOT MARKETS

Coffee domestic spot market prices were down on Saturday. Fundamentally robusta stocks are expected to remain tight until Vietnam's next harvest at the end of the calendar year. On the other hand Brazil producer selling has been slow despite the harvest being near a peak. NYBOT certified coffee stocks were up 8,788 bags to 4.171 million with 107,947 bags pending review. According to Indian Coffee Board, total provisional coffee export was 136951 metric tonnes during January 1 to July 12, 2007 as against 140418 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 12, 2007.

FUTURES MARKETS

MCX coffee August contract opened at Rs.7500/ctl. , and traded up to the high of same that of Rs. 7527/ctl. and then down to a low of Rs.7500/ctl. The contract was closed at Rs.7524ctl, Rs.17 up by the previous close of Rs.7507/ctl. The volume of August contract decreased 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.
4. 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 bellow 9-day EMA and 18-day EMA indicating that short-term trend as well as intermediate-term trend remains bearish. MACD declining in positive region. 9-day RSI is rising in neutral region. Stochastic is decreasing in neutral region. The volume of August contract decreased drastically, while open interest increased marginally, as compared to the previous trading session. Coffee futures are likely to trade downward, following a steady to weak opening.

MCX Coffee Robusta August Contract

Coffee Robusta 0708(MXCOFQ7)2007/07/14 - Daily B:7514.00 A:7520.00
O 7500.00 H 7518.00 L 7500.00 C 7518.00 V 21 T 1,577 I 365 +11



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7465	7480	7524	7542	7562

TRADE RECOMMENDATION

Sell MCX August Coffee near Rs. 7515-7530 with a target at Rs. 7500 and then Rs. 7482 with a strict stop loss at Rs.7540. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		09.06.2007	10.06.2007
Karnataka	Arabica Plantation	3855-3955	3830-3950
	Arabica Cherry	1875-1950	1850-1950
	Robusta Parchment	3615-3765	3615-3765
	Robusta Cherry	1865-1925	1850-1925

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INTERNATIONAL FUTURES QUOTES (AS OF JULY 13, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
July 2007	109.00	109.00	107.00	107.75	-1.65
September 2007	111.20	111.45	109.50	109.75	-1.65
1December 2007	115.15	115.35	113.55	113.80	-1.55

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
July 2007	1859.00	1859.00	1775.00	1792.00	-73.00
September 2007	1865.00	1866.00	1791.00	1804.00	-70.00
November 2007	1858.00	1862.00	1790.00	1806.00	-65.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	11.06.07	12.06.07	Change
Colombian Mild Arabicas	New York	121.25	121.00	-0.25
Other Mild Arabicas	New York	115.13	114.88	-0.25
Brazilian Natural Arabicas	New York	102.75	103.50	+0.75
Robusta	New York	95.88	93.63	-2.25

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle Sharply Down on Friday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished sharply low on Friday. The November futures settle lower level at \$1806 per metric tonne, down by \$65 per metric tonne from previous settlement. The September futures finished down at \$1804 per metric tonne, down by \$70 per metric tonne from previous settlement.

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