

# COFFEE

Agriwatch  
DAILY

## COFFEE

July 04, 2007

### SPOT MARKETS

On Tuesday coffee spot market prices ride on uptrend. Brazil from June 1-29 exported 1.564 million bags. According to Indian Coffee Board, total provisional coffee export was 130726 metric tonnes during January 1 to June 29, 2007 as against 130970 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 170.956 metric tonnes as on July 02, 2007.

### FUTURES MARKETS

MCX coffee August contract opened at Rs. 7673/ctl. then traded up to a high of Rs.7680/ctl. and then down to a low of Rs.7632/ctl. The contract was closed at Rs. 7636/ctl, Rs.39 down by the previous close of Rs. 7675/ctl. The volume of August contract decreased, while open interest increased 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.

### 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 declining in neutral region. Stochastic is slightly decreasing in neutral region. The volume of August contract decreased, while open interest increased 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	7580	7600	7636	7685	7705

### TRADE RECOMMENDATION

Sell MCX August Coffee near Rs. 7630-7640 with a target at Rs. 7620 and then Rs. 7605 with a strict stop loss at Rs.7650. 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	1861.00	1895.00	1856.00	1884.00	+29.00
September 2007	1880.00	1924.00	1876.00	1887.00	-19.00
November 2007	1872.00	1910.00	1869.00	1898.00	+29.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	29.06.07	02.06.07	Change
Colombian Mild Arabicas	New York	120.25	119.50	-0.75
Other Mild Arabicas	New York	116.38	115.38	-1.00
Brazilian Natural Arabicas	New York	103.75	103.00	-0.75
Robusta	New York	95.25	96.25	+1.00

## INTERNATIONAL MARKET RECAP

### LIFFE Coffee Futures Settle at Lower Level on Tuesday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished lower on Tuesday; on spillover pressure from New York Board of Trade's arabica market. The September futures finished down at \$1887 per metric tonne, down by \$19 per metric tonne from previous settlement.

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