

COFFEE

Agriwatch
DAILY

COFFEE

Aug 17, 2007

SPOT MARKETS

Coffee domestic spot market prices were Low on Thursday. According to Indian Coffee Board, total provisional coffee export was 152305 metric tonnes during January 1 to August 14, 2007 as against 161785 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 155.909 metric tonnes as on August 14, 2007.

FUTURES MARKETS

MCX coffee August contract opened at Rs.7550/ctl. , than traded high at Rs.7575/ctl. and then down to a low of Rs.7280/ctl. The contract was closed at Rs.7282/ctl, Rs.56 down by the previous close of Rs.7584/ctl. The volume of August contract decreased drastically, while open interest decreased marginally, as compared to the previous trading session.

PRICE DRIVERS

Bullish:

1. Most of Vietnam's 2006-07 harvest has been sold.
2. Rise in global coffee export.
3. Coffee quality problems in Vietnam.
4. Decline in Indonesia's coffee output.
5. Pest outbreak in India's coffee growing areas.

Bearish:

1. Flow of fresh coffee supplies from Indonesia's coffee harvest.
2. Favorable weather for coffee Harvesting, in Brazil.
3. India's coffee output expected to rise.

WEATHER

Rain/thundershowers are likely at most places over Kerala, north Telangana. Coastal Karnataka, Konkan & Goa, Lakshadweep, Andaman & Nicobar and other rubber growing areas. Isolated over the rest region outside Tamil. The weather is unfavorable for rubber tapping and latex production.

TECHNICALS

Prices closed bellow 9-day and 18-day EMA, indicating that short-term trend as well as intermediate-term trend remains bearish. MACD decreasing in positive region. 9-day RSI is declining in overbought region. Stochastic is declining 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 downward, following a steady to weak opening.

MCX Coffee Robusta August Contract



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7080	7184	7282	7504	7675

TRADE RECOMMENDATION

Sell MCX August Coffee near Rs. 7270 - 7290 with a target at Rs. 7220 and then Rs. 7186 with a strict stop loss at Rs.7324. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		13.08.2007	14.08.2007
Karnataka	Arabica Plantation	4125-4300	4125-4300
	Arabica Cherry	1975-2150	2000-2150
	Robusta Parchment	3600-3750	3600-3725
	Robusta Cherry	1780-1800	1780-1850

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INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 16, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	118.50	118.90	110.95	111.30	-7.90
December 2007	122.70	122.75	115.00	115.25	-7.95
March 2008	125.95	125.95	118.80	118.85	-7.95

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1721.00	1726.00	1655.00	1659.00	-67.00
November 2007	1734.00	1748.00	1681.00	1685.00	-64.00
January 2008	1741.00	1750.00	1688.00	1693.00	-55.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	14.08.07	15.08.07	Change
Colombian Mild Arabicas	New York	130.25	129.75	-0.50
Other Mild Arabicas	New York	126.75	126.75	--
Brazilian Natural Arabicas	New York	115.25	115.25	--
Robusta	New York	90.50	88.50	-2.00

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle Sharply Low on Thursday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished sharply low on Thursday. The most active September futures finished down at \$1659, down by \$67 per metric tonne from previous settlement. While November contract settle down at \$1685 per metric tonne, down by \$64 per metric tonne from previous settlement.

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