

COFFEE

Agriwatch
DAILY

COFFEE

Aug 10, 2007

SPOT MARKETS

Coffee domestic spot market prices were down on Thursday. According to Indian Coffee Board, total provisional coffee export was 148969 metric tonnes during January 1 to August 8, 2007 as against 158242 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 164.902 metric tonnes as on August 08, 2007. Ecuador coffee exports stood at 338,454 bags in the first five months of the year, up 5.2 percent from the same period last year. However, bean exports were down 54 percent from a year ago to 54,714, while soluble coffee exports jumped 43 percent to 281, 74.

FUTURES MARKETS

MCX coffee August contract opened at Rs.7693/qty. traded up to the high of Rs.7698/qty. and then down to a low of Rs.7684/qty. The contract was closed at Rs.7685/qty, Rs.1 down by the previous close of Rs.7686/qty. 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.
3. Rise in global coffee export.
4. Coffee quality problems in Vietnam.

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 above 9-day and 18-day EMA, indicating that short-term trend as well as intermediate-term trend remains bullish. MACD decreasing in positive region. 9-day RSI is decreasing 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 downward, following a steady to weak opening.

MCX Coffee Robusta August Contract

Coffee Robusta 0708(MXCOFQ7)2007/08/09 - Daily B:7683.00 A:7689.00
O 7692.00 H 7698.00 L 7683.00 C 7685.00 V 98 T 46179 -8
EMA(9) 7682.4 (18) 7680.9



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7642	7658	7685	7698	7704

TRADE RECOMMENDATION

Sell MCX August Coffee near Rs. 7678 - 7690 with a target at Rs. 7672 and then Rs. 7660 with a strict stop loss at Rs.7698. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		06.08.2007	07.08.2007
Karnataka	Arabica Plantation	4225-4300	4125-4250
	Arabica Cherry	2200-2300	1975-2050
	Robusta Parchment	3750-3850	3550-3700
	Robusta Cherry	1850-1975	1800-1825

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INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 09 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	118.75	119.90	117.80	119.50	+1.00
December 2007	122.80	123.95	121.90	123.50	+0.95
March 2008	126.90	127.10	126.90	127.10	+0.95

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1831.00	1838.00	1808.00	1824.00	-5.00
November 2007	1847.00	1858.00	1829.00	1843.00	-5.00
January 2008	1841.00	1844.00	1825.00	1833.00	-3.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	07.08.07	08.08.07	Change
Colombian Mild Arabicas	New York	129.00	130.00	+1.00
Other Mild Arabicas	New York	125.00	126.13	+1.13
Brazilian Natural Arabicas	New York	114.50	115.50	+1.00
Robusta	New York	92.00	92.50	+0.50

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle Low on Thursday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished low on Thursday. The most active September futures finished down at \$1824, down by \$5 per metric tonne from previous settlement. While November contract settle down at \$1843 per metric tonne, down by \$5 per metric tonne from previous settlement.

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