

# COFFEE

Agriwatch  
DAILY

## COFFEE

Aug 31, 2007

### SPOT MARKETS

Coffee domestic spot market prices made a loss on Thursday. According to Indian Coffee Board, total provisional coffee export was 158270 metric tonnes during January 1 to August 28, 2007 as against 171100 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 110.942 metric tonnes as on August 29, 2007.

### FUTURES MARKETS

MCX coffee October contract opened at Rs.7355/ctl. , than traded high at Rs.7364/ctl. and then down to a low of Rs.7345/ctl. The contract was closed at Rs.7351/ctl, Rs.11 down by previous close of Rs.7362/ctl. Volume of October contract decreased drastically, while open interest increased marginally, as compared to the previous trading session.

### PRICE DRIVERS

#### Bullish:

1. Pest outbreak in India's coffee growing areas.
2. Early flowering in coffee trees in Brazil's Minas Gerais state, threatening to reduce next year's crop.
3. Indonesia's coffee output expected to fall by 20 percent

#### Bearish:

1. Strong rupee; limiting the scope for export. .
2. In Vietnam, prospects for another large coffee crop in 2007-2008.
3. Rise in Columbia's coffee output.

### 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 EMA and 18-day EMA, indicating that short-term trend as well intermediate-term trend remains bearish. MACD further decreasing in negative region. 9-day RSI is declining in neutral region. Stochastic is rising in neutral region. Volume of October 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 0710(MXCOFV7)2007/08/30 - Daily B:7343.00 A:7350.00  
O 7355.00 H 7364.00 L 7345.00 C 7351.00 V 53 T 34 I 313 -11  
EMA(9) 7357.6 (18) 7421.3



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	7308	7324	7351	7369	7386

### TRADE RECOMMENDATION

Sell MCX August Coffee near Rs. 7344 - 7356 with a target at Rs. 7338 and then Rs.7326 with a strict stop loss at Rs.7363. Trade cautiously with intra day outlook.

### DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		24.08.2007	24.08.2007
Karnataka	Arabica Plantation	4150-4300	4000-4200
	Arabica Cherry	2200-2300	1950-2150
	Robusta Parchment	3650-3800	3500-3650
	Robusta Cherry	1800-1900	1710-1750

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### INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 30, 2007)

#### NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	112.65	112.95	111.75	111.75	-0.90
December 2007	116.55	116.80	115.40	116.15	+0.50
March 2008	120.15	120.35	119.25	119.95	+0.50

#### LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1660.00	1675.00	1656.00	1662.00	-3.00
November 2007	1724.00	1725.00	1708.00	1714.00	-2.00
January 2008	1717.00	1722.00	1707.00	1712.00	-2.00

### ICO INDICATOR PRICES

US Cents / lb

Variety	Market	28.08.07	29.08.07	Change
Colombian Mild Arabicas	New York	124.50	123.00	-1.50
Other Mild Arabicas	New York	121.50	120.00	-1.50
Brazilian Natural Arabicas	New York	110.50	109.00	-1.50
5Robusta	New York	85.63	86.38	+0.75

### INTERNATIONAL MARKET RECAP

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

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished low on Thursday. The most active September futures finished high at \$1662, down by \$3 per metric tonne from previous settlement. While the November futures finished low at \$1714, down by \$2 per metric tonne from previous settlement.

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