

COFFEE

Agriwatch
DAILY

COFFEE

Aug 21, 2007

SPOT MARKETS

Coffee domestic spot market prices were high on Monday. According to Indian Coffee Board, total provisional coffee export was 154056 metric tonnes during January 1 to August 17, 2007 as against 163259 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 18, 2007.

FUTURES MARKETS

MCX coffee October contract opened at Rs.7290/ctl. , than traded high at Rs.7358/ctl. and then down to a low of Rs.7290/ctl. The contract was closed at Rs.7346/ctl, Rs.36 up by the previous close of Rs.7310/ctl. The volume of October contract increased drastically, while open interest increased 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. Decline in Indonesia's coffee output.
4. Pest outbreak in India's coffee growing areas.
5. Early flowering in coffee trees in Brazil's Minas Gerais state, threatening to reduce next year's crop.

Bearish:

1. India's coffee output expected to rise.
2. Strong rupee; limiting the scope for export.

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

On Friday, Aug.17, Prices closed bellow 9-day and 18-day EMA, indicating that short-term trend as well as intermediate-term trend remains bearish. MACD further decreasing in negative region. 9-day RSI is rising in overbought region. Stochastic is declining in neutral region. The volume of August contract increased drastically, while open interest increased marginally, 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

Coffee Robusta 0710(MXC0FV7)2007/08/20 - Daily
O 7290.00 H 7358.00 L 7290.00 C 7346.00 V 178 T 1221330 +36



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	7256	7290	7346	7390	7428

TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7338 - 7258 with a target at Rs. 7366 and then Rs. 7388 with a strict stop loss at Rs.7330. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		16.08.2007	18.08.2007
Karnataka	Arabica Plantation	4100-4250	4100-4250
	Arabica Cherry	2000-2100	2100-2300
	Robusta Parchment	3550-3750	3600-3800
	Robusta Cherry	1725-1775	1850-1900

COMMODITIES RESEARCH

COFFEE

Agriwatch
DAILY

COFFEE

Aug 21, 2007

INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 17, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	115.20	116.30	114.25	114.85	-0.70
December 2007	119.30	120.40	118.25	118.85	-0.65
March 2008	122.50	123.90	122.20	122.55	-0.65

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1654.00	1689.00	1654.00	1672.00	+18.00
November 2007	1685.00	1717.00	1682.00	1700.00	+19.00
January 2008	1695.00	1724.00	1691.00	1710.00	+20.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	16.08.07	17.08.07	Change
Colombian Mild Arabicas	New York	121.75	126.00	+4.25
Other Mild Arabicas	New York	118.88	123.25	+4.37
Brazilian Natural Arabicas	New York	107.25	111.50	+4.25
Robusta	New York	85.13	84.88	-0.25

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle High on Monday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished high on Monday. The November contract settles up at \$1700 per metric tonne, up by \$19 per metric tonne from previous settlement. The most active September futures finished high at \$1672, up by \$18 per metric tonne from previous settlement.

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2007 Indian Agribusiness Systems Pvt Ltd.

COMMODITIES RESEARCH