

C O F F E E

Agriwatch
DAILY

C O F F E E

Aug 30, 2007

SPOT MARKETS

Coffee domestic spot market prices made a loss on Wednesday. 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 28, 2007. Vietnam's coffee output, is expected to decline by 10 to 15 percent this year to around 16-18 million bags from a record crop last year. In Vietnam last year coffee crop was a bumper crop and post that yields usually drop. As coffee crops typically move in bi-yearly cycles, with a good harvest followed by smaller one.

FUTURES MARKETS

MCX coffee October contract opened at Rs.7330/ctl. , than traded high at Rs.7400/ctl. and then down to a low of Rs.7330/ctl. The contract was closed at Rs.7362/ctl, Rs.40 up by previous close of Rs.7322/ctl. Volume of October contract increased drastically, while open interest decreased marginally, as compared to the previous trading session.

PRICE DRIVERS

Bullish:

1. Rise in global coffee export.
2. Pest outbreak in India's coffee growing areas.
3. Early flowering in coffee trees in Brazil's Minas Gerais state, threatening to reduce next year's crop.
4. 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 above 9-day EMA and below 18-day EMA, indicating that short-term trend remains bullish, while intermediate-term trend remains bearish. MACD further decreasing in negative region. 9-day RSI is rising in neutral region. Stochastic is rising in neutral region. Volume of October contract increased drastically, while open interest decreased 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(MXCOFV7)2007/08/29 - Daily B:7357.00 A:7362.00
O 7335.00 H 7400.00 L 7332.00 C 7362.00 V 253 T 891 303 +40
EMA(9) 7359.3 (18) 7429.6



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	7295	7333	7362	7404	7436

TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7355 - 7370 with a target at Rs. 7380 and then Rs.7402 with a strict stop loss at Rs.7347. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		22.08.2007	24.08.2007
Karnataka	Arabica Plantation	4050-4100	4150-4300
	Arabica Cherry	1950-2100	2200-2300
	Robusta Parchment	3600-3650	3650-3800
	Robusta Cherry	1750-1800	1800-1900

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INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 29, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	112.65	112.65	112.65	112.65	-1.00
December 2007	117.75	117.90	115.60	116.10	-1.45
March 2008	121.10	121.10	119.90	119.90	-1.45

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1665.00	1665.00	1665.00	1665.00	-8.00
November 2007	1716.00	1716.00	1716.00	1716.00	+10.00
January 2008	1714.00	1714.00	1714.00	1714.00	+4.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	27.08.07	28.08.07	Change
Colombian Mild Arabicas	New York	124.25	124.50	+0.25
Other Mild Arabicas	New York	121.25	121.50	+0.25
Brazilian Natural Arabicas	New York	110.25	110.50	+0.25
5Robusta	New York	85.63	85.63	--

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle Green on Wednesday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished high on Wednesday. The most active September futures finished high at \$1665, up by \$8 per metric tonne from previous settlement. While the November futures finished high at \$1716, up by \$10 per metric tonne from previous settlement..

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