

COFFEE

Agriwatch
DAILY

COFFEE

Aug 07, 2007

SPOT MARKETS

Coffee domestic spot market prices were down on Thursday. The shipment of Arabica variety declined in the last four months as Indian prices are about 8% higher than international prices. Though the volume has dipped, the value realisation in terms of both dollar and rupees has increased in the 10-month period. India's export during October-July period went up to Rs 1,643.73 crore (\$380.77 million) from Rs 1,548.59 crore (\$343.08 million). According to Indian Coffee Board, total provisional coffee export was 143767 metric tonnes during January 1 to July 30, 2007 as against 153085 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 04, 2007.

FUTURES MARKETS

MCX coffee August contract opened at Rs.7685/ctl. traded up to the high of Rs.7693/ctl. and then down to a low of Rs.7645/ctl. The contract was closed at Rs.7664/ctl, Rs.24 down by the previous close of Rs.7688/ctl. 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, Coastal Karnataka, Andaman & Nicobar Islands, Konkan & Goa and at a few places over Andhra Pradesh and over rest regions in South-India. The weather is favorable for the coffee plantation.

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 neutral region. Stochastic is slightly increasing in neutral region. The volume of August contract increased drastically, while open interest decreased, 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)2007/08/06 - Daily B:7675.00 A:7680.00
O 7685.00 H 7693.00 L 7645.00 C 7664.00 V 262 T 133 I 88 -24
EMA(9) 7677.4 (18) 7678.4



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7612	7632	7664	7693	7715

TRADE RECOMMENDATION

Sell MCX August Coffee near Rs. 7658-7670 with a target at Rs. 7652 and then Rs. 7635 with a strict stop loss at Rs.7679. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		26.07.2007	06.08.2007
Karnataka	Arabica Plantation	3950-4100	4225-4300
	Arabica Cherry	1950-2025	2200-2300
	Robusta Parchment	3600-3715	3750-3850
	Robusta Cherry	1840-1925	1850-1975

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INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 06 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	117.05	119.50	116.25	118.40	+0.75
December 2007	121.40	123.60	120.35	122.40	+0.85
March 2008	124.50	126.05	124.50	126.00	+0.90

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1834.00	1845.00	1825.00	1835.00	+6.00
November 2007	1850.00	1860.00	1844.00	1852.00	+9.00
January 2008	1832.00	1843.00	1828.00	1835.00	+8.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	02.08.07	03.08.07	Change
Colombian Mild Arabicas	New York	127.75	129.00	+1.25
Other Mild Arabicas	New York	123.63	124.88	+1.25
Brazilian Natural Arabicas	New York	112.25	113.50	+1.25
Robusta	New York	92.25	92.75	+0.50

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle in Lower Level on Monday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished weak on Monday. The most active September futures finished low at \$1823, down \$12 per metric tonne from previous settlement. While November contract settle low at \$1841 per metric tonne, down by \$9 per metric tonne from previous settlement.

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