

# COFFEE

Agriwatch  
DAILY

## COFFEE

Aug 28, 2007

### SPOT MARKETS

Coffee domestic spot market prices were down on Monday. According to Indian Coffee Board, total provisional coffee export was 157527 metric tonnes during January 1 to August 24, 2007 as against 168537 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 25, 2007.

### FUTURES MARKETS

MCX coffee October contract opened at Rs.7335/ctl. , than traded high at Rs.7335/ctl. and then down to a low of Rs.7323/ctl. The contract was closed at Rs.7331/ctl, Rs.6 down by previous close of Rs.7337/ctl. The 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 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 declining in neutral region. Stochastic is slightly rising in neutral region. The 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)2007/08/27 - Daily  
O 7335.00 H 7335.00 L 7323.00 C 7331.00 V 79 T 71 I 305 -6  
EMA(9) 7367.8 (18) 7451.1



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	7302	7316	7331	7368	7386

### TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7325 - 7340 with a target at Rs. 7346 and then Rs. 7366 with a strict stop loss at Rs.7317. 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 27, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	114.15	114.15	113.10	113.10	-1.55
December 2007	118.40	118.70	116.80	117.20	-1.85
March 2008	122.00	122.35	120.95	120.95	-1.90

LCE (London Coffee) (AS OF AUGUST 26, 2007)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1663.00	1700.00	1663.00	1668.00	+5.00
November 2007	1704.00	1738.00	1701.00	1706.00	+6.00
January 2008	1711.00	1740.00	1711.00	1715.00	+4.00

### ICO INDICATOR PRICES

US Cents / lb

Variety	Market	22.08.07	23.08.07	Change
Colombian Mild Arabicas	New York	124.75	125.75	+1.00
Other Mild Arabicas	New York	122.75	123.75	+1.00
Brazilian Natural Arabicas	New York	111.75	112.75	+1.00
5Robusta	New York	85.13	85.38	+0.25

### INTERNATIONAL MARKET RECAP

#### LIFFE Coffee Futures Settle High on Friday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished high on Friday, supported by stronger coffee futures on the New York Board of Trade. The November contract settles green at \$1706 per metric tonne, up by \$6 per metric tonne from previous settlement. The most active September futures finished high at \$1668, up by \$5 per metric tonne from previous settlement.

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