

# COFFEE

Agriwatch  
DAILY

## COFFEE

Aug 16, 2007

### SPOT MARKETS

Coffee domestic spot market prices were high on Tuesday. According to Indian Coffee Board, total provisional coffee export was 151470 metric tonnes during January 1 to August 13, 2007 as against 161278 metric tonnes; exported during the corresponding period of last year. Total stocks of coffee at MCX accredited warehouses stood at 155.909 metric tonnes as on August 13, 2007. India's coffee exports are likely to fall by 10 per cent in 2007 as output drops due to a pest outbreak and a stronger rupee makes them less competitive. Widespread appearance of the white stem borer beetle in coffee growing states in south India is expected to cut production by 5 per cent to around 280,000 tonnes. India exports coffee mainly to Italy, Germany and Russia.

### FUTURES MARKETS

MCX coffee August contract opened at Rs.7645/qrtl. same that of intra-day high and then down to a low of Rs.7580/qrtl. The contract was closed at Rs.7584/qrtl, Rs.56 down by the previous close of Rs.7640/qrtl. The volume as well as open interest of August contract increased drastically, 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. Coffee quality problems in Vietnam.
4. Decline in Indonesia's coffee output.
5. Pest outbreak in India's coffee growing areas.

#### 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, 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 decreasing in positive region. 9-day RSI is declining in neutral region. Stochastic is declining in neutral region. The volume as well as open interest of August contract increased drastically, 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)2007/08/15 - Daily  
O 7584.00 H 7584.00 L 7584.00 C 7584.00 V 298 T 125 I 127 0  
EMA(9) 7633.2 (18) 7651.9



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7508	7532	7584	9654	7721

### TRADE RECOMMENDATION

Sell MCX August Coffee near Rs. 7576 - 7592 with a target at Rs. 7562 and then Rs. 7534 with a strict stop loss at Rs.7602. Trade cautiously with intra day outlook.

### DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		09.08.2007	13.08.2007
Karnataka	Arabica Plantation	4125-4250	4125-4300
	Arabica Cherry	1950-2050	1975-2150
	Robusta Parchment	3600-3840	3600-3750
	Robusta Cherry	1760-1835	1780-1800

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## INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 15, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	118.40	119.80	117.30	119.20	+0.05
December 2007	122.50	123.70	121.20	123.20	+0.05
March 2008	127.00	127.00	126.80	126.80	+0.05

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1760.00	1766.00	1710.00	1726.00	-43.00
November 2007	1790.00	1790.00	1730.00	1749.00	-43.00
January 2008	1782.00	1786.00	1730.00	1748.00	-38.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	09.08.07	10.08.07	Change
Colombian Mild Arabicas	New York	130.50	131.25	+0.75
Other Mild Arabicas	New York	127.00	128.13	+1.13
Brazilian Natural Arabicas	New York	116.50	117.75	+1.25
Robusta	New York	92.25	91.25	-1.00

## INTERNATIONAL MARKET RECAP

### LIFFE Coffee Futures Settle Low on Tuesday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished low on Tuesday. The most active September futures finished down at \$1726, down by \$43 per metric tonne from previous settlement. While November contract settle down at \$1749 per metric tonne, down by \$43 per metric tonne from previous settlement.

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