

COFFEE

Agriwatch
DAILY

COFFEE

Aug 25, 2007

SPOT MARKETS

Coffee domestic spot market prices were high on Friday. According to Indian Coffee Board, total provisional coffee export was 157229 metric tonnes during January 1 to August 23, 2007 as against 168256 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 23, 2007. According to Columbia's National Federation of Coffee Growers, coffee production in July, the 10th month of the current 2006-07 crop cycle, was up by 21.2% at 995,000 bags (1 bag=60kg). While Coffee exports in July were up by 8.2% to reach 979,000 bags, as compare to 905,000 bags, in the same month of previous year.

FUTURES MARKETS

MCX coffee October contract opened at Rs.7294/ctl. , than traded high at Rs.7375/ctl. and then down to a low of Rs.7294/ctl. The contract was closed at Rs.7329/ctl, Rs.47 down by previous close of Rs.7282/ctl. The volume of October contract increased drastically, while open interest increased 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 rising in neutral region. Stochastic is slightly rising 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(MXCOFV7)2007/08/24 - Daily B:7325.00 A:7330.00
O 7300.00 H 7375.00 L 7300.00 C 7329.00 V 113 T 67 I 353 +47
EMA(9) 7371.9 (18) 7462.6



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	7258	7293	7329	7378	7409

TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7322 - 7338 with a target at Rs. 7350 and then Rs. 7376 with a strict stop loss at Rs.7312. 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

COMMODITIES RESEARCH

COFFEE

Agriwatch
DAILY

COFFEE

Aug 25, 2007

INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 24, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	116.40	116.40	114.45	114.65	-1.20
December 2007	120.30	120.40	118.30	119.05	-0.65
March 2008	123.90	123.90	122.85	122.85	-0.60

LCE (London Coffee)

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
Robusta	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. 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.

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