

# COFFEE

Agriwatch  
DAILY

## COFFEE

Aug 09, 2007

### SPOT MARKETS

Coffee domestic spot market prices were up on Wednesday. According to, Indonesia Coffee Exporters' Association, Indonesia's coffee output may fall 20 percent this year due to weather that is wetter than usual in the coffee-growing areas of Sumatra island. Wet weather in coffee-growing areas may cut this year's coffee output by 20 percent to 440,000 tonnes. According to Indian Coffee Board, total provisional coffee export was 147779 metric tonnes during January 1 to August 7, 2007 as against 157766 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 06, 2007.

### FUTURES MARKETS

MCX coffee August contract opened at Rs.7679/qty. traded up to the high of Rs.7688/qty. and then down to a low of Rs.7660/qty. The contract was closed at Rs.7686/qty, Rs.26 up by the previous close of Rs.7660/qty. The volume of August contract decreased drastically, while open interest decreased marginally, 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, 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 and 18-day EMA, indicating that short-term trend as well as intermediate-term trend remains bullish. MACD decreasing in positive region. 9-day RSI is rising in neutral region. Stochastic is slightly increasing in neutral region. The volume of August contract decreased 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 0708(MXCOFQ7)2007/08/08 - Daily B:7686.00 A:7690.00  
O 7678.00 H 7688.00 L 7660.00 C 7686.00 V 62 T 33 I 124 +26  
EMA(9) 7676.3 (18) 7677.4



### SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7638	7655	7686	7722	7738

### TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7678 - 7694 with a target at Rs. 7702 and then Rs. 7720 with a strict stop loss at Rs.7673. Trade cautiously with intra day outlook.

### DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		06.08.2007	07.08.2007
Karnataka	Arabica Plantation	4225-4300	4125-4250
	Arabica Cherry	2200-2300	1975-2050
	Robusta Parchment	3750-3850	3550-3700
	Robusta Cherry	1850-1975	1800-1825

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## INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 08 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	116.95	119.00	116.45	118.50	+1.05
December 2007	121.20	123.00	120.50	122.55	+1.05
March 2008	124.75	126.65	124.50	126.15	+1.00

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1814.00	1832.00	1806.00	1829.00	+11.00
November 2007	1832.00	1851.00	1824.00	1848.00	+10.00
January 2008	1816.00	1839.00	1816.00	1836.00	+10.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	06.08.07	07.08.07	Change
Colombian Mild Arabicas	New York	130.00	129.00	-1.00
Other Mild Arabicas	New York	125.88	125.00	-0.88
Brazilian Natural Arabicas	New York	114.50	114.50	--
Robusta	New York	92.25	92.00	-0.25

## 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 \$1829, up by \$11 per metric tonne from previous settlement. While November contract settle high at \$1848 per metric tonne, up by \$10 per metric tonne from previous settlement.

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