

COFFEE

Agriwatch
DAILY

COFFEE

Aug 13, 2007

SPOT MARKETS

Coffee domestic spot market prices were down on Friday. According to Indian Coffee Board, total provisional coffee export was 149194 metric tonnes during January 1 to August 9, 2007 as against 158922 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 09, 2007. According to ICO (International Coffee Organisation) coffee exports rose an annual 3.6 pct in June bringing the total for the first nine months of the coffee year, which began in October 2006, to 73.56 mln bags (1 bag = 60 kg), a year-on-year increase of 14.45 pct. However, consumption also increased over the period, especially in producing countries like Brazil, Costa Rica, Ethiopia, India, Indonesia and Uganda. ICO forecast consumption at 120 mln bags this year compared to 119.43 mln bags last year.

FUTURES MARKETS

MCX coffee August contract opened at Rs.7640/qlt. same that of intra-day high and then down to a low of Rs.7633/qlt. The contract was closed at Rs.7635/qlt, Rs.13 up by the previous close of Rs.7622/qlt. The volume of August contract decreased drastically, while open interest decreased marginally, 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.

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 rising in neutral region. Stochastic is declining 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)2007/08/11 - Daily B:7630.00 A:7635.00
O 7640.00 H 7640.00 L 7633.00 C 7635.00 V 18 T 10184 +13



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7602	7618	7635	7668	7688

TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7628 - 7642 with a target at Rs. 7647 and then Rs. 7665 with a strict stop loss at Rs.7622. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		07.08.2007	09.08.2007
Karnataka	Arabica Plantation	4125-4250	4125-4250
	Arabica Cherry	1975-2050	1950-2050
	Robusta Parchment	3550-3700	3600-3840
	Robusta Cherry	1800-1825	1760-1835

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INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 10, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	117.50	120.90	116.90	120.60	+1.10
December 2007	121.60	125.00	121.00	124.65	+1.15
March 2008	125.75	128.20	125.75	128.20	+1.10

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1814.00	1821.00	1778.00	1796.00	-28.00
November 2007	1827.00	1838.00	1796.00	1817.00	-26.00
January 2008	1829.00	1829.00	1790.00	1808.00	-25.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	08.08.07	09.08.07	Change
Colombian Mild Arabicas	New York	130.00	130.50	+0.50
Other Mild Arabicas	New York	126.13	127.00	+0.87
Brazilian Natural Arabicas	New York	115.50	116.50	+1.00
Robusta	New York	92.50	92.25	-0.25

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle Low on Friday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished low on Friday. The most active September futures finished down at \$1796, down by \$28 per metric tonne from previous settlement. While November contract settle down at \$1817 per metric tonne, down by \$26 per metric tonne from previous settlement.

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