

COFFEE

Agriwatch
DAILY

COFFEE

Aug 24, 2007

SPOT MARKETS

Coffee domestic spot market prices were low on Thursday. According to Indian Coffee Board, total provisional coffee export was 156040 metric tonnes during January 1 to August 22, 2007 as against 166787 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 22, 2007. Brazilian coffee exports for the Aug 1-21 period were 915873 bags. (1 bag = 60 kg). According to local weather service, Southern Marine Weather (SOMAR), Brazil's coffee producing regions are safe from the impact of cold front, with temperatures of near and even under zero degrees Celsius, which advanced over south Brazil earlier this week.

FUTURES MARKETS

MCX coffee October contract opened at Rs.7290/ctl. , than traded high at Rs.7290/ctl. and then down to a low of Rs.7270/ctl. The contract was closed at Rs.7292/ctl, same that of previous close price. The volume of October contract decreased drastically, while open interest increased 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. Decline in Indonesia's coffee output.
4. Pest outbreak in India's coffee growing areas.
5. Early flowering in coffee trees in Brazil's Minas Gerais state, threatening to reduce next year's crop.

Bearish:

1. India's coffee output expected to rise.
2. Strong rupee; limiting the scope for export.

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 overbought region. Stochastic is slightly declining in neutral region. The volume of August contract decreased drastically, while open interest increased marginally, 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 0710(MXCOFV7)2007/08/23 - Daily
O 7292.00 H 7292.00 L 7290.00 C 7290.00 V 1 T 731326 -2
EMA(9) 7384.2 (18) 7479.1



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX October	7258	7264	7292	7338	7356

TRADE RECOMMENDATION

Sell MCX August Coffee near Rs. 7290 - 7299 with a target at Rs. 7280 and then Rs. 7266 with a strict stop loss at Rs.7302. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		20.08.2007	22.08.2007
Karnataka	Arabica Plantation	3900-4100	4050-4100
	Arabica Cherry	1900-2100	1950-2100
	Robusta Parchment	3500-3650	3600-3650
	Robusta Cherry	1700-1750	1750-1800

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INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 23, 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	115.80	115.85	115.20	115.85	+1.40
December 2007	119.40	120.40	119.30	119.70	+0.90
March 2008	123.20	123.70	123.20	123.45	+0.85

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1662.00	1668.00	1650.00	1663.00	+7.00
November 2007	1696.00	1705.00	1685.00	1700.00	+9.00
January 2008	1703.00	1715.00	1696.00	1711.00	+8.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	21.08.07	22.08.07	Change
Colombian Mild Arabicas	New York	124.25	124.75	+0.50
Other Mild Arabicas	New York	122.13	122.75	-0.62
Brazilian Natural Arabicas	New York	111.25	111.75	+0.50
Robusta	New York	85.63	85.13	-0.50

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle High on Thursday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished high on Tuesday. The November contract settles green at \$1700 per metric tonne, up by \$9 per metric tonne from previous settlement. The most active September futures finished high at \$1663, up by \$7 per metric tonne from previous settlement.

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