

COFFEE

Agriwatch
DAILY

COFFEE

Aug 04, 2007

SPOT MARKETS

Coffee domestic spot market prices were down on Thursday. According to Indian Coffee Board, total provisional coffee export was 143767 metric tonnes during January 1 to July 30, 2007 as against 153085 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 02, 2007.

FUTURES MARKETS

MCX coffee August contract opened at Rs.7684/qty. traded up to the high of Rs.7700/qty. and then down to a low of Rs.7681/qty. The contract was closed at Rs.7694/qty, Rs.15 up by the previous close of Rs.7679/qty. The volume of August contract decreased drastically, while open interest increased drastically, 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, Coastal Karnataka, Andaman & Nicobar Islands, Konkan & Goa and at a few places over Andhra Pradesh and over rest regions in South-India. The weather is favorable for the coffee plantation.

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 decreasing in neutral region. The volume of August contract decreased drastically, while open interest increased drastically, 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)2007/08/03 - Daily B:7691.00 A:7695.00
O 7684.00 H 7700.00 L 7681.00 C 7694.00 V 103 T 661122 +15
EMA(9) 7686.8 (18) 7684.0



SUPPORT / RESISTANCES

Contract	S2	S1	PCP	R1	R2
MCX August	7654	7670	7694	7724	7738

TRADE RECOMMENDATION

Buy MCX August Coffee near Rs. 7688-7702 with a target at Rs. 7712 and then Rs. 7721 with a strict stop loss at Rs.7682. Trade cautiously with intra day outlook.

DOMESTIC RAW COFFEE PRICES

Centers	Variety	Price (Rs / 50kg)	
		18.06.2007	26.06.2007
Karnataka	Arabica Plantation	3865-4000	3950-4100
	Arabica Cherry	1875-1950	1950-2025
	Robusta Parchment	3550-3625	3600-3715
	Robusta Cherry	1810-1850	1840-1925

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INTERNATIONAL FUTURES QUOTES (AS OF AUGUST 03 2007)

NYBOT (Coffee 'C')

US Cents / lb

Contract Month	Open	High	Low	Settle	Change
September 2007	117.05	118.40	117.00	117.65	+1.45
December 2007	121.25	122.30	121.20	121.55	+1.40
March 2008	124.95	125.30	124.95	125.10	+1.35

LCE (London Coffee)

US \$ / tonne

Contract Month	Open	High	Low	Settle	Change
September 2007	1834.00	1845.00	1825.00	1835.00	+6.00
November 2007	1850.00	1860.00	1844.00	1852.00	+9.00
January 2008	1832.00	1843.00	1828.00	1835.00	+8.00

ICO INDICATOR PRICES

US Cents / lb

Variety	Market	01.08.07	02.08.07	Change
Colombian Mild Arabicas	New York	124.50	127.75	+3.25
Other Mild Arabicas	New York	120.50	123.63	+3.13
Brazilian Natural Arabicas	New York	109.00	112.25	+3.25
Robusta	New York	91.25	92.25	+1.00

INTERNATIONAL MARKET RECAP

LIFFE Coffee Futures Settle in Higher Zone on Friday

At London International Financial Futures and Options Exchange (LIFFE), robusta coffee futures finished High on Friday. The most active September futures finished high at \$1835, up \$6 per metric tonne from previous settlement. While November contract settle high at \$1852 per metric tonne, up by \$9 per metric tonne from previous settlement.

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