

**Highlights of The Week**

**Mixed trend were featured in Karnataka market on rising buying activities by the roaster and exporters** during this week ended as on 27th April 2015. As per sources, Starbucks Corp has locked in prices on 70 per cent of 2016 coffee needs at "favorable" levels when compared to its 2015 coffee costs.

**As per DGCIS report, India has received total coffee exports revenue around Rs. 659 .05** crore which is in USD 105.53 million in March 2015 higher by 2.58% in Rs. and 0.22% in USD respectively against Rs. 642.45 crore and USD 105.30 million respectively in previous year during the same month. It stood at Rs. 4906.36 crore and the value in USD at 802.96 million since April-2014 to March-2015 up by 2.24 in Rs. and 0.52% when the value is counting in USD against last year revenue i.e. Rs.4799.10 crore and in USD 798.83 million in corresponding period of time.

**In view of Traders, Robusta harvesting of 2014/15 is almost finished in the key growing** regions of Karnataka, Tamil Nadu and Kerala. As per exporters, Arabica crop size of India is placed around 90,000 tonnes and Robusta crops at 2.3 lakh. While, Post Monsoon crop estimates for 2014-15 stood up by 8.70% to 331,000 MT followed by total Robusta estimates at 231,400 MT with an increase of 14.38% and Arabica estimates at 99,600 MT with a decline of 2.54% compared to last year output, as per the Coffee Board of India. Indian exporters are looking forward to some support from the Government in the forthcoming Export-Import Policy. Sources expects to increase the DEPB rates (Duty entitlement pass book) to around 2-3% from the current 1%. DEPB is an export incentive scheme of Indian Government provided to Exporters in India. DEPB rates are applied on the basis of FOB value or value cap whichever is lower.

**In the recent forecast of Brazil crop, German coffee trader Neumann keeps Brazil coffee** crop output higher at 45.3 million bags for 2015/16 season from its previous given forecast i.e. 45 million bags in August 2014. Brazil will commence its coffee harvesting in May 2015. He kept 2014/15 coffee crop size at 47.7 million bags. While, other sources like Ecom expects Brazil's crop production higher at 49 million bags followed by 32 million bags of Arabica crop and 17 million bags of Robusta crop for 2015/16 season.

**As per Uganda Coffee Development Authority, Uganda shipped down coffee beans by 10.5%** to 3.11 million bags in March from 3.48 million bags in the same period last year after dry weather conditions curbed output.

### Exports and Imports of India

Provisional Indian green coffee exports is registered down by 17.01% to 96088 metric tonnes from 1st January 2015 to 7th May 2015 as compared to 115795 metric tonnes of previous year exports during the same period of time. India re-exports maximum Instant type of coffee which is recorded down at 57.22% to 7058 metric tonnes in this year during 1st January 2015 to 7th May 2015 from preceding year instant coffee volume i.e. 16501 metric tonnes. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 41.51% to 17273, 30.20% to 5869 metric tonnes respectively against last year exports volume i.e. 29532 metric tonnes, 8409 metric tonnes respectively in the same period of time.

Below table shows Indian coffee exports volume details:-

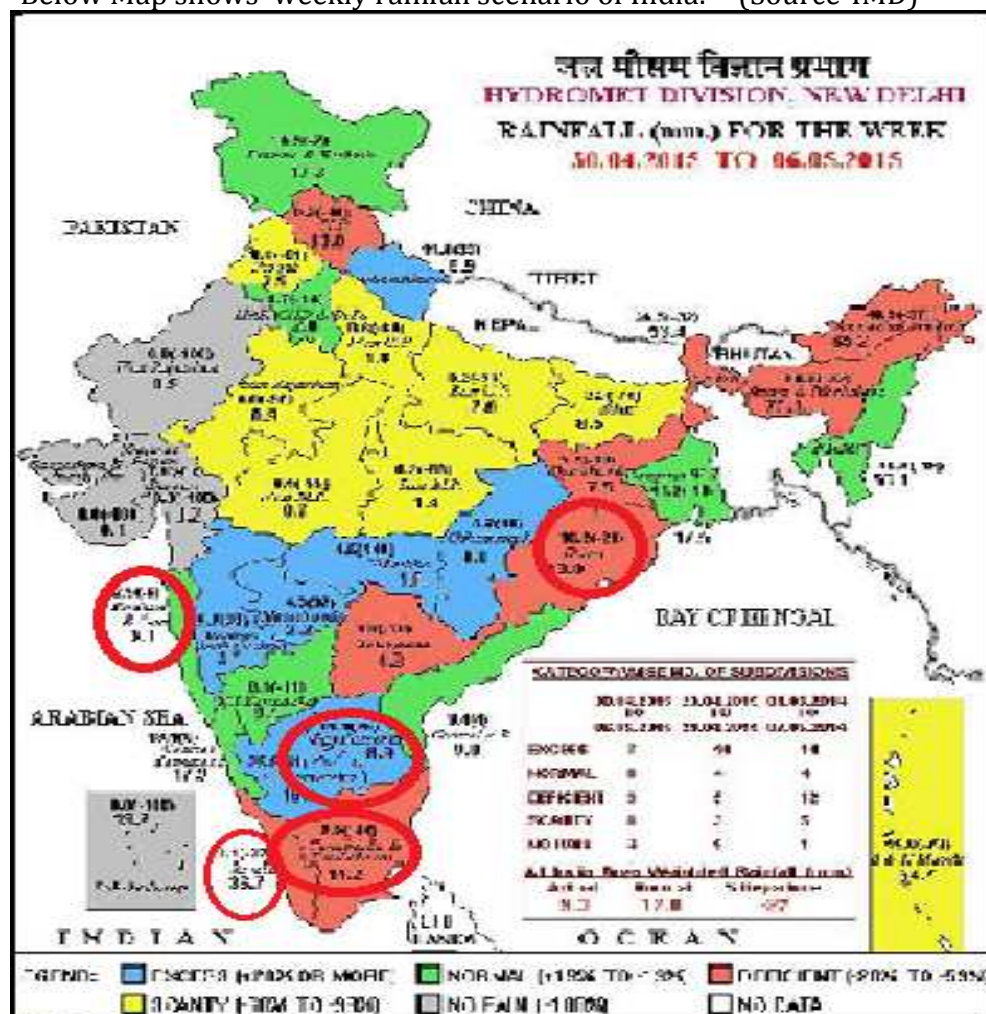
**Export update:** From 01<sup>st</sup> January 2015 to 07th May 2015 (in metric tonnes)

	INDIAN COFFEE	Ar.Pmt	Ar.Chy	Rob.Pmt	Rob.Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian coffee)	17273	5869	12976	52780	12	119	7058	96088
2	Provisional exports corresponding period last year	29532	8409	9641	51584	33	94	16501	115795
3	Provisional re-exports	0	0	0	0	42	63	26449	26554
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	17244	17244
5	Total provisional exports (1+3)	17273	5869	12976	52780	54	182	33507	122642
6	Total provisional exports corresponding period last year (2+4)	29532	8409	9641	51584	33	94	33746	133039

Source: The Coffee Board Of India

### Weather Updates

Below Map shows weekly rainfall scenario of India:- (Source-IMD)



Circle means the Coffee Growing Belts of India

- Thunderstorm activity was observed at a few places over Kerala on 6th May. Isolated thunderstorm activity was also observed on almost all the days of the week over South Interior Karnataka; on many days over Odisha, Chhattisgarh and Tamilnadu, Kerala.
- An upper air cyclonic circulation lies over south Tamilnadu and adjoining Comorian area and extends upto 2.1 km above mean sea.

**Domestic Crops Condition and Production**

Below table shows updated Planted Area of Coffee in India:-

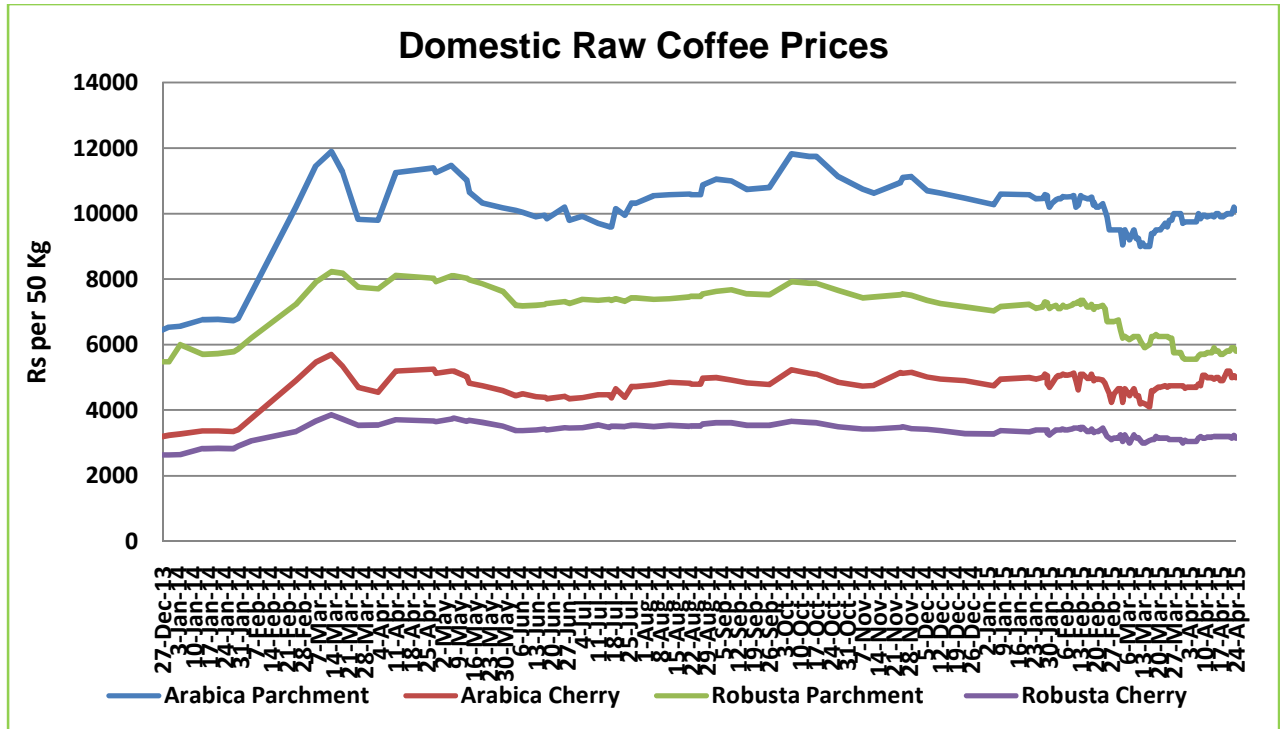
<b>Planted Area of Coffee in India since 1950-51</b>					
<b>Year</b>	<b>Arabica</b>	<b>%</b>	<b>Robusta</b>	<b>%</b>	<b>Total</b>
1950-51	67613	73	24910	27	92523
1960-61	70650	59	49670	41	120320
1970-71	80433	59	55030	41	135463
1980-81	109454	53	98815	47	208269
1990-91	127934	47	142887	53	270821
1991-92	126889	46	151742	54	278631
1992-93	141546	49	149465	51	291011
1993-94	143491	49	148976	51	292467
1994-95	142644	49	150465	51	293109
1995-96	145901	48	159252	52	305153
1996-97	143239	47	160582	53	303821
1997-98	143928	47	161974	53	305902
1998-99	160671	49	168567	51	329238
1999-00	168453	50	171853	50	340306
2000-01	167679	48	179037	52	346716
2001-02	165892	48	181103	52	346995
2002-03	171180	48	182872	52	354052
2003-04	170294	48	184546	52	354840
2004-05	174315	48	188769	52	363084
2005-06	177728	47	201981	53	379709
2006-07	179096	47	201989	53	381085
2007-08	184418	48	203777	52	388195
2008-09	189511	48	204841	52	394352
2009-10	193995	49	205688	51	399683
2010-11	197930	49	206715	51	404645
2011-12	201070	49	208620	51	409690
2012-13	205775	50	209566	50	415341
2013-14	209385	50	209590	50	418975

Source: The Coffee Board Of India

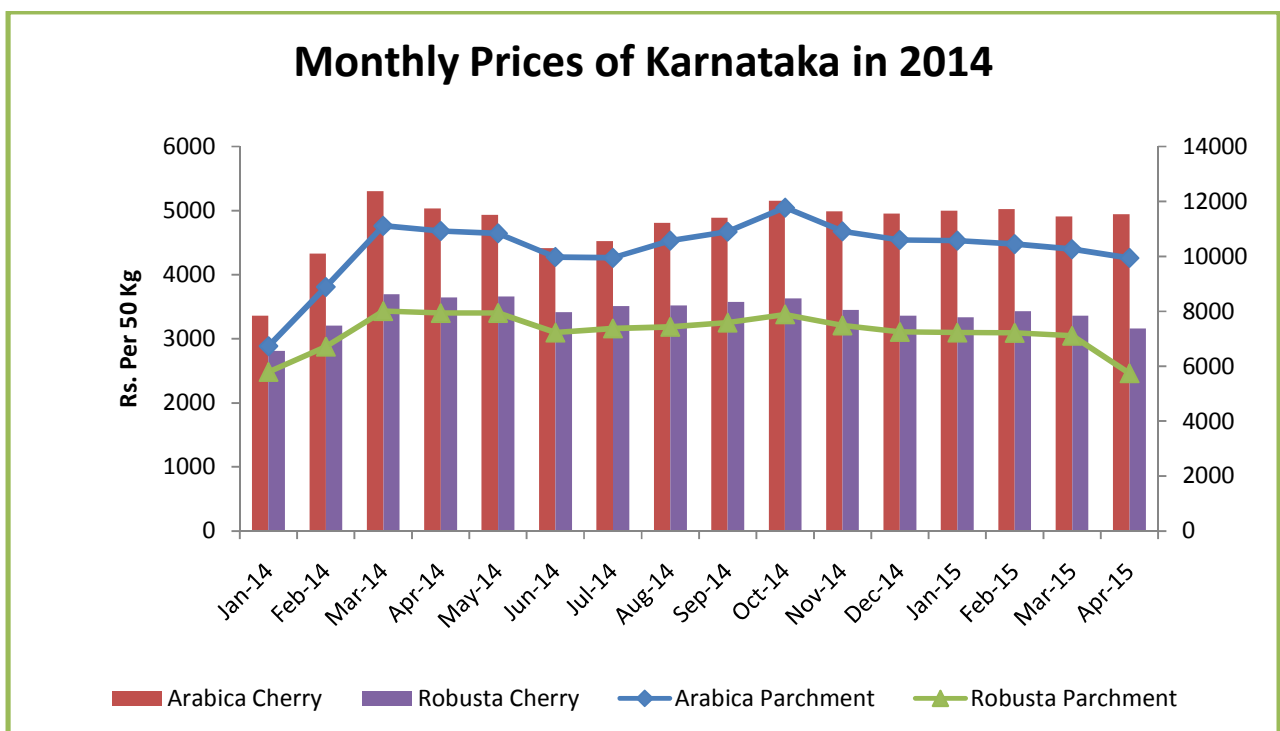


**Coffee Prices of Auction Market & State-wise Market**

Below mentioned charts depicts domestic raw coffee prices and monthly prices in 2014/15:-



Source: The Coffee Board Of India



Source: The coffee Board of India

**Domestic Raw Coffee Prices (Karnataka):**

Variety	27.4.2015	20.4.2015	Change
Arabica Parchment	10100	10000	100
Arabica Cherry	5100	5200	-100
Robusta Parchment	5900	5800	100
Robusta Cherry	3200	3200	Unch

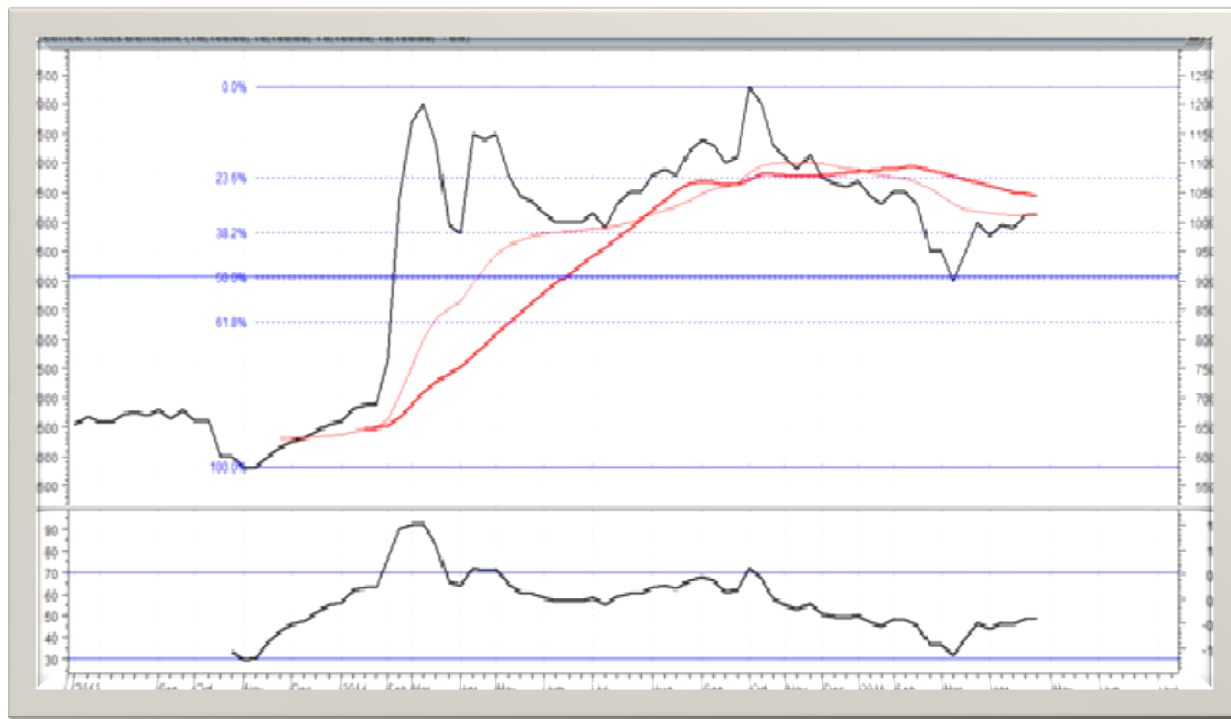
\* Values in Rs per 50 Kg

**ICTA Auction Prices (Bangalore)(New Season(2014-2015) Crop**

Grade	20.4.2015	13.4.2015	Change	20.4.2015	13.4.2015	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	--	--	--	--	--	--
AA	--	--	--	--	--	--
PB	--	252.16	--	--	--	--
A	--	275.00	--	--	--	--
AB	--	--	--	--	178.50	--
B	--	216.6	--	--	--	--
C	--	197.00	--	--	141.00	--
BBB	--	145.50	--	--	124.00	--
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	Change
RKR	--	154.00	--	--	--	--
A	--	--	--	--	--	--
PB	--	145.5	--	--	--	--
AA	--	--	--	--	--	--
AB	--	148.00	--	--	--	--
B	--	--	--	--	--	--
C	--	--	--	--	--	--
BBB	--	122.00	--	--	--	--

Values in Rs. per kg

**Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market**



**Weekly Technical Outlook:-**

- Above chart illustrates steady to upside momentum in the market.
- RSI is moving in neutral region at 48.89 in this week against 46.10 hints further sideways to bullish trend of the market.
- However, simple moving average supports towards falling zone of the market in week ahead.
- We may see a range bound prices trend in upcoming days.

**Expected Price Range During Coming Week**

<b><u>Expected Trend</u></b>	<b><u>Expected Trading Band</u></b>
<b><u>Range-bound to Bearish Momentum</u></b>	<b>9785-10290</b>

Units in Rs./50 kg.

**Expected Support and Resistance**

<b>S2</b>	<b>S1</b>	<b>PCP</b>	<b>R1</b>	<b>R2</b>
9490.77	9784.61	10100	10293.94	12292.10

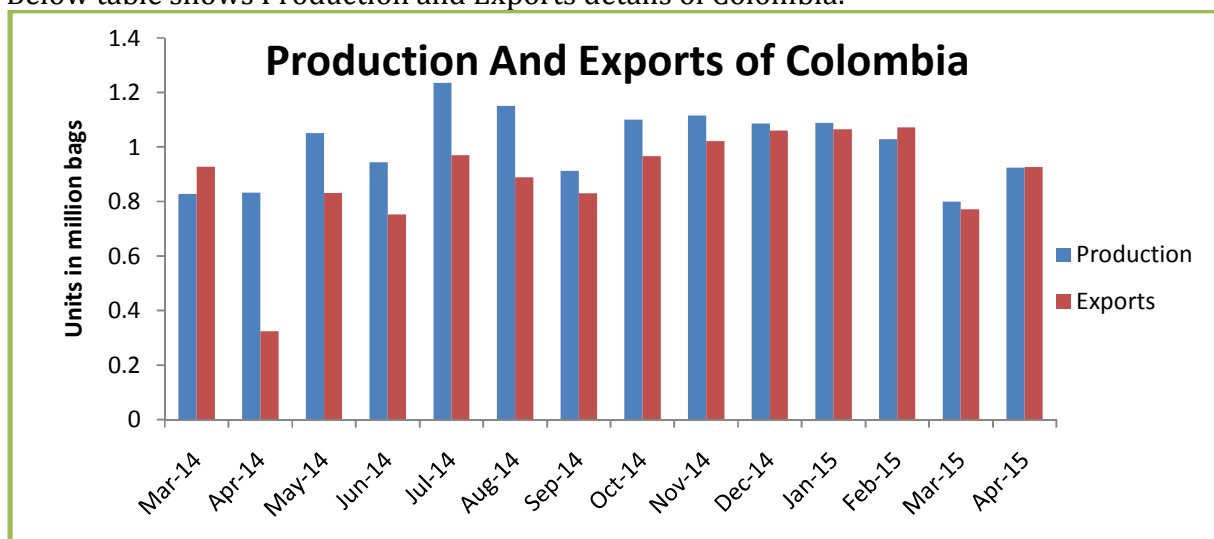
Units in Rs./50 kg.

**International Market Updates:**

**Brazil:-**

**Colombia:-** According to Reuters, Colombia produces 15.5% higher coffee to 0.924 million bags in April 2015 as compared to 0.927 million bags in last month. Colombia exports total 0.927 million bags in April 2015 with an increase of 20.07% against March month exports volume i.e. 0772 million bags.

Below table shows Production and Exports details of Colombia:-



Source: Reuter

**Global Production Of The Coffee**

Below table shows coffee Consumption details of the World(In million of Bags) :-

<b>World Coffee Consumption in thousand Bags</b>					
<b>Calendar Years</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Compound Annual Growth Rate</b>
<b>World total</b>	<b>139415</b>	<b>143004</b>	<b>147339</b>	<b>149265</b>	<b>23.0%</b>
Africa	9217	10098	10465	10667	50.0%
Asia & Oceania	26338	27788	29403	30095	45.0%
Central America & Mexico	4,973.00	5,036.00	5,028.00	4,969.00	0.0%
Europe	49,311.00	49,532.00	50,614.00	50,468.00	0.8%
North America	25 618	25 730	26 931	27 674	26.0%
South America	23,958.00	24,820.00	24,897.00	25,393.00	20.0%
<b>Exporting countries</b>	<b>42,794.00</b>	<b>44,222.00</b>	<b>44,992.00</b>	<b>46,201.00</b>	<b>26.0%</b>
Brazil	19,573.00	20,178.00	20,146.00	20,771.00	20.0%
Indonesia	3,333.00	3,584.00	4,042.00	4,167.00	77.0%
Ethiopia	3 383	3 387	3 463	3 656	0.26
Mexico	2 354	2 354	2 354	2 354	0.0%
Philippines	2 150	2 175	2 175	2 175	0.4%
Vietnam	1 600	1 694	1 869	2 025	0.82
India	1 829	1 917	1 917	1 917	0.16
Venezuela	1 650	1 650	1 650	1 650	0.0%
Colombia	1 341	1 439	1 470	1 561	0.52
Thailand	856.00	1 108	1 148	1 213	0.12
<b>Importing countries</b>	<b>96 621</b>	<b>98 782</b>	<b>102 346</b>	<b>103 064</b>	<b>0.22</b>
European Union	40 765	41 018	41 869	41 799	0.8%
USA	22 044	22 232	23 417	23 761	0.25
Japan	7 015	7 131	7 435	7 494	0.22
Russia	3 695	3 767	3 775	4 033	0.30
Canada	3 574	3 498	3 514	3 913	0.31
Algeria	1 942	2 117	2 125	2 154	0.35
South Korea	1 801	1 714	1 760	1 910	0.20
Australia	1 407	1 631	1 542	1 543	0.31
Ukraine	1 324	1 238	1 338	1 215	(0.28)
Saudi Arabia	1 000	1 186	1 186	1 186	0.59
Switzerland	1 035	1 047	1 123	1 028	-0.2%

Source: ICO

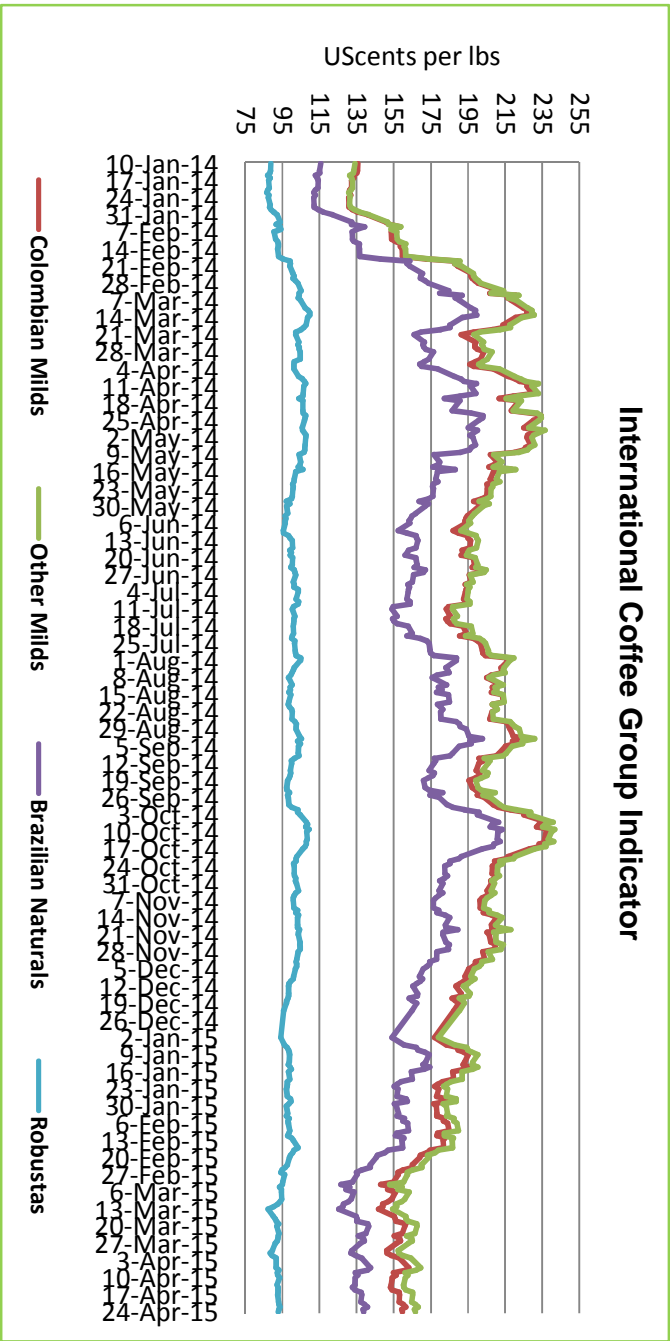
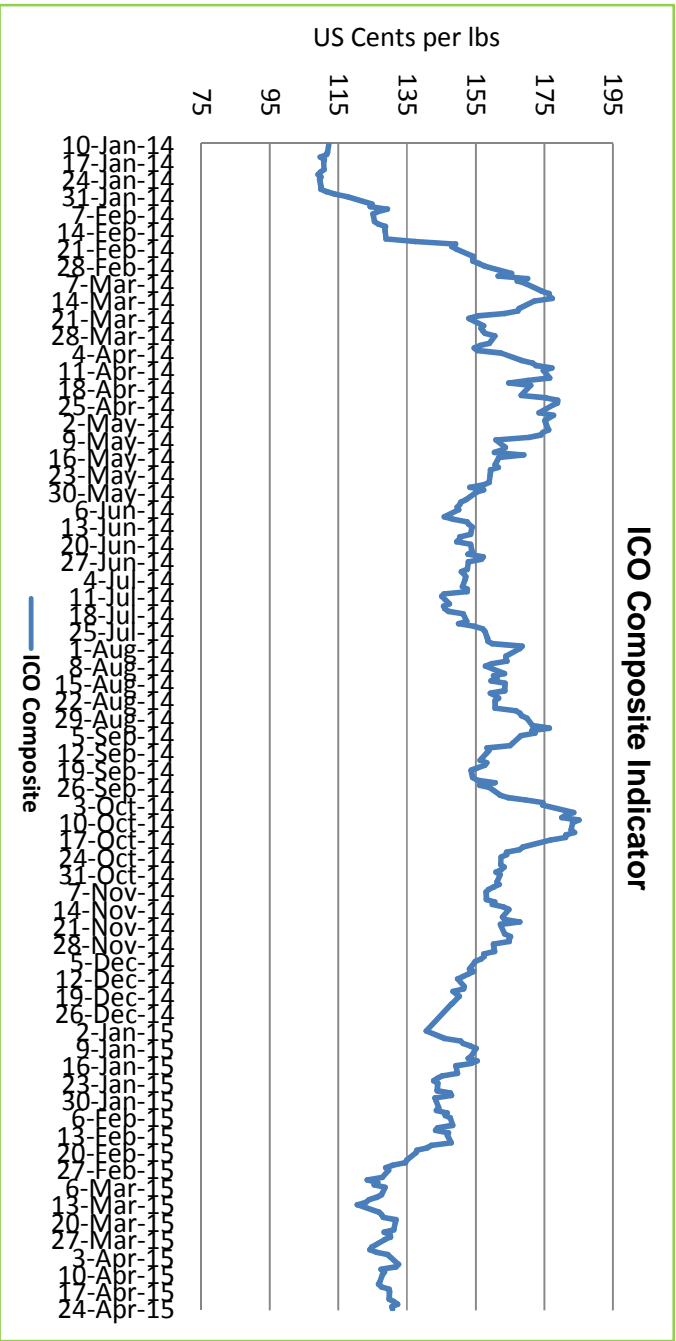
**International Coffee Price Trend**

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	24.4.2015	17.4.2015	24.3.2015	24.4.2014
<b>ICO Composite Indicator</b>	130.74	129.81	128.33	178.80
<b>Colombian Milds</b>				
US	158.25	156.50	152.25	239.75
Europe	161.19	160.03	158.78	227.81
Group Indicator	159.60	158.12	155.25	234.26
<b>Other Milds</b>				
US	167.69	166.19	160.44	242.75
Europe	165.98	164.36	162.90	229.40
Group Indicator	166.63	165.05	161.96	234.47
<b>Brazilian Naturals</b>				
US	133.25	132.50	130.25	198.75
Europe	140.69	139.54	137.76	204.26
Group Indicator	138.76	137.71	135.81	202.83
<b>Robusta</b>				
US	99.58	100.08	98.50	112.25
Europe	91.39	90.98	91.64	106.17
Group Indicator	92.70	92.44	92.74	107.14

**Germany Market - Hamburg and Bremen, France Market - (Le Havre and Marseilles) \* Values in US cents/lb**



## International Coffee Indicators Chart:-



Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(24-Apr-2015)	Week ago (17-Apr-2015)	Month Ago (24-Mar-15)	Weekly Change (%)
May-15	141.15	138.70	137.30	1.76
Jul-15	142.15	141.40	140.55	0.53
Sep-15	144.80	144.00	143.55	0.55

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(24-Apr-2015)	Week ago (17-Apr-2015)	Month Ago (24-Mar-15)	Weekly Change (%)
May-15	1795	1799	1818	-0.22
Jul-15	1816	1826	1845	-0.54
Sep-15	1839	1850	1871	-0.59

USC/lb

USD/T

#### International Coffee Prices

	15.4.2015	8.4.2015	15.3.2015	15.4.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	38700	38500	37750	41250
Vietnam FOB (2-5 pct)* (Saigon port)	1845	1877	1870	2067
Indonesian FOB (4-80 defects)** (Lampung Port)	1985	1840	1840	2180

\*FOB Values are in USD/T

#### Weekly Auction Prices Of Kenya

Units in \$ per 50 kg bags

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (21/04/2015)	Average Prices In	Prices Last Auction In (14/04/2015)
Arabica AA	143-283	232.75	93-321
Arabica AB	113-268	203.54	92-244
Arabica C	86-225	166.72	91-211
Arabica PB	92-265	213.2	113-250
Arabica T	63-169	101.18	69-181
Arabica TT	86-218	190.55	139-199

**Technical Analysis of Coffee Future (Dec'14Contract) at ICE Future**



**Weekly Technical Outlook:-**

- Candlestick chart shows continuous down momentum in the market.
- However, slight up 14 days EMI hints further rising phase of the market.
- Falling volume and prices indicate short build up in the market.
- Relatively, RSI is slight up at 38.12 compared to last week movement at 37.95 indicating towards a uptrend in the next week.
- We expects steady to upside momentum in upcoming days.

**Expected Price Range During Coming Week**

<b><u>Expected Trend</u></b>	<b><u>Expected Trading Band</u></b>
<b><u>Range-bound to Bearish Momentum</u></b>	<b>123-141</b>

US cents/lb

**Expected Support and Resistance**

<b>S2</b>	<b>S1</b>	<b>PCP</b>	<b>R1</b>	<b>R2</b>
118.02	122.91	132.90	140.44	147.78

US cents/lb

**Technical Analysis of Coffee Future (Nov'14Contract) at LIFFE**



**Weekly Technical Outlook:-**

- Candlestick chart illustrates bearish trend of the market.
- Relatively, 14-days EMI is moving down at 1820 from 1835 of last week record indicating further a down phase in the market.
- Fibonacci retracement level on down wave shows first support level at 1611@23.6% level and resistance level at 1838@ 50% for the upcoming week.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1612-1835

USD/T

**Expected Support and Resistance**

S2	S1	PCP	R1	R2
1543	1611	1717	1838	1940

USD/T

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