Highlights of The Week

Domestic Prices of all the varieties despite Robusta cherry at Karnataka market slumped due to low demand at the week's auction. However, seller are still looking for higher prices. In the Auction market, total 237,996 kg of coffee was on offer where Arabica was included about 97,104 kg and 140,892 kg of Robusta while 43,000 kg was sold. New supplies and widespread rain in Brazil may cause further to pull down global prices which may slid Indian exports demand as added by the Indian Coffee industry in the short run.

As per Traders, Robusta crops in Tamilnadu and Karnataka are in good condition as compared to previous year crops resultantly farmers may receive 10 to 15% higher crops in this year however Arabica crops are suffered by the White stem borer due to heavy rain at the time of flowering stage which may decline Arabica crops size. Higher prices prompted farmers to cover higher plantations of coffee in this year. Some of the coffee producers are shifting to coffee from other crops as Cardamom. Mostly nurseries are out of the coffee plants due to rising demand of plants.

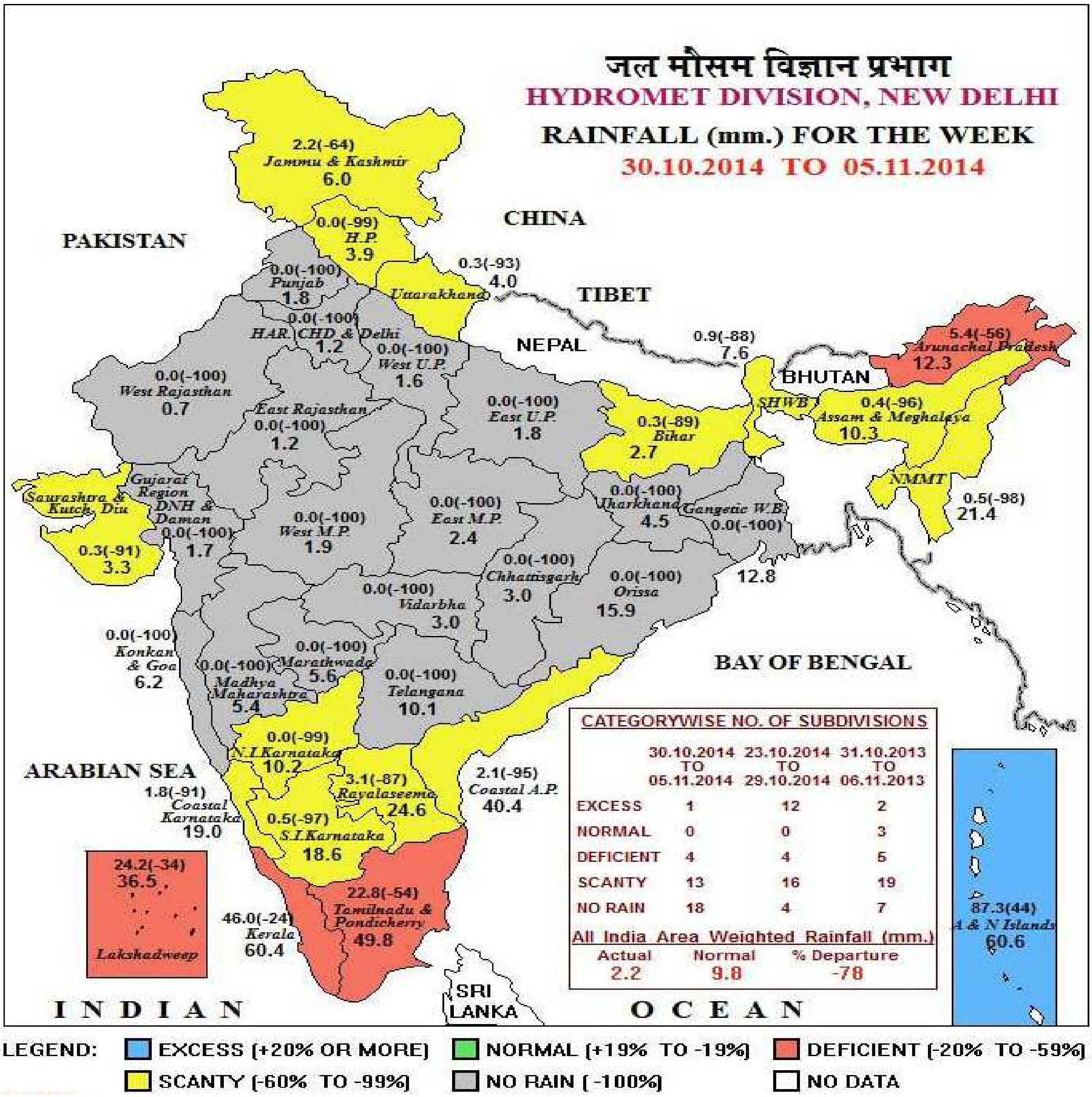
Total Indian exports declined by 5% to 2,35,796 tonne from January to September in 2014 due to tepid demand especially lower Robusta cherry exports demand which fell by 19% and higher domestic prices. In Karnataka, growers are trying to cover plains areas as well for the plantations of coffee during the current season. Exports demand for new crops will be able fulfilled by Indian Exporters from December 2014. Coffee shipment of India is likely to improve in Western Europe for new crop.

As per Somar Meteorologist, Brazil is likely to receive heavier rain with 70-100 mm between Nov. 11 and 15 in centre-west and southeast growing areas . Enough rain is expected to fall in all of Brazil starting this weekend and continuing into next week as said by U.S based Commodity Weather Group. Rain are forecast to reach about 0.5 to 1.25 inches in the main coffee producing state of Minas Gerais until Nov. 19. About 0.25 to 1.25 inches of rain is received over 35% of Brazil's coffee belt this last weekend which will help to widespread flowers of coffee trees.

As per ICAFE, total coffee exports of Costa Rica declined by 10.5% at 28,615 60-kg bags in October month (the first month of the 2014/15 harvesting season) against the same month of last year exports i.e. 31,972 bags . Costa Rica is the smaller coffee producer of Central America but it is known for its high quality beans. Total Coffee production of Costa Rica is forecast about 1.51 million bags for 2014/15 season.

As per Tanzania Coffee Board (TCB), Coffee prices in Tanzania surged at the auction of this week supported by exporters demand for Robusta. The prices of benchmark grade AA Arabica quoted at $201-$263 per bags as on Thursday higher from $ 194.80-$250 at the last week sale. Overall average coffee prices inched up by $0.89 per 50 kg bags for mild Arabica and up by $11.48 per 50 kg for Robusta at the Moshi exchange from the last week auction prices.

Weather Updates of India

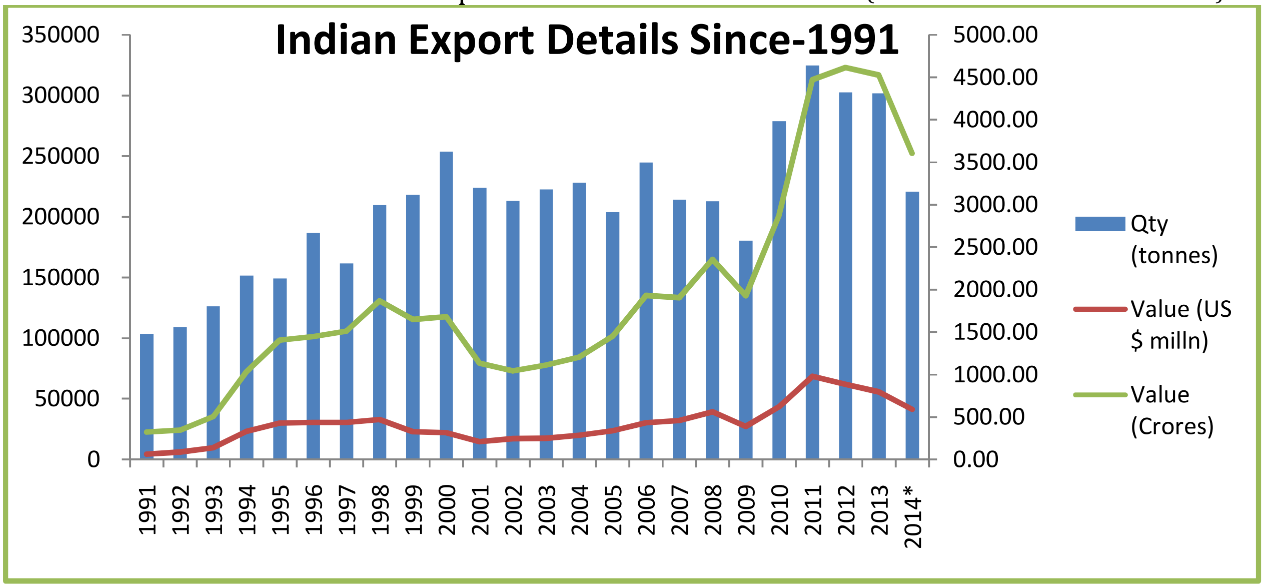


- As per IMD, Rainfall was excess in 1, deficient/scanty in 19 and no rain in 16 out of 36 meteorological sub-divisions For the week ending on 5th November, 2014.
- India has received total 2.2 mm rainfall during this week which is lower by 78% against 9.8mm of Normal rain. While, Cumulative seasonal rainfall of India (1st October to 5th November,2014) is reported 30% down to 61.7 mm against Normal rainfall 87.6mm.
- An upper air cyclonic circulation laid over Tripura & neighborhood extended up to 3.1 km above mean sea level on 4th November and persisted on 5 November, 2014.

Exports and Imports of India

According to the Coffee Board of India, total Indian exports figure is showing a declining phase in the export market due to combined higher prices and low demand. It stood below 26.82% to 220818 during 1st January 2014 to 31st August 2014 compared to 301769 of last year records following 590.61 value in US $ million against 795.69 US $ million and 3606.39 value in crore against 4525.75 crore.

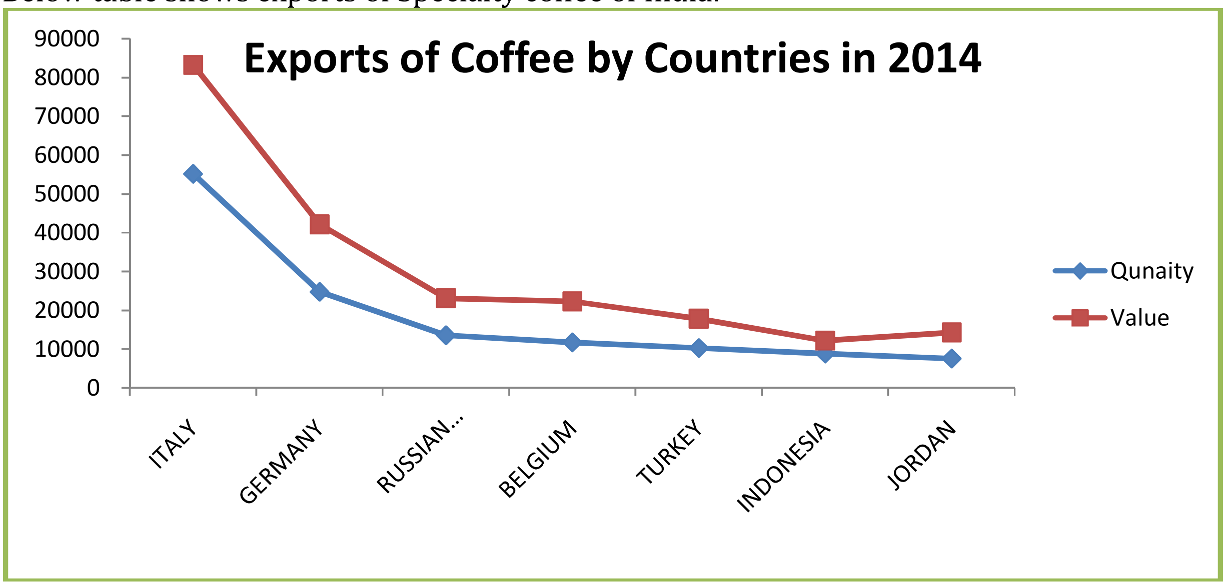
Below Chart shows total Indian Exports details since 1991:- (Source:- The Coffee Board of India)



(Includes re-exports from 2004 onwards * Provisional Based on export permits (01.01.2014 to 31.08.2014)

Italy is importing higher quantity of Indian beans in the world. India has exported total 55,146 MT with the value of Rs. 83222 lakh from January to August 2014. Germany has imported total 24753 MT with the value of Rs. 42148 lakh in the same period of time as above in 2014.

Below table shows exports of Specialty coffee of India:-



Source:-The Coffee Board of India

Domestic Crops Condition and Production

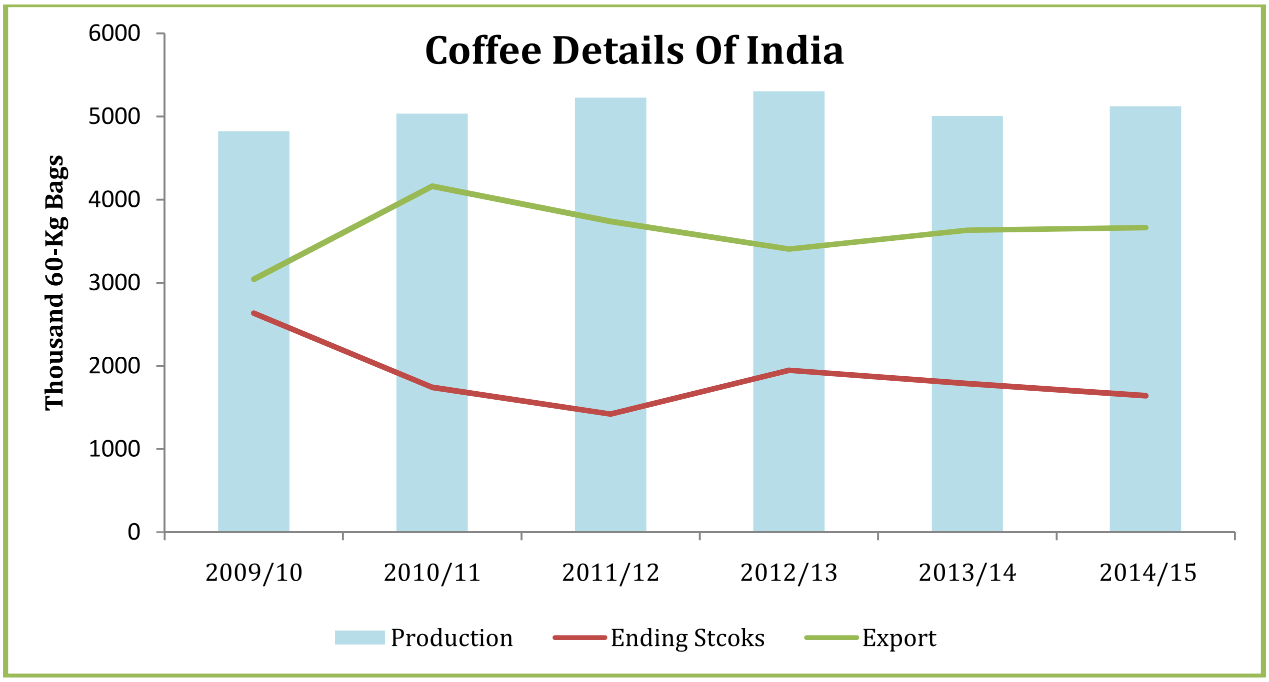
Balance Sheet Highlights (USDA) :-

- According to USDA report, Coffee Production of India will be higher by 2.33% to 5125 thousand bags in 2014/15 from the previous year but lower than 2011/12 and 2012/13 estimates.

- Total Indian exports is expected to increase by 0.82% to 3660 thousands bags in 2014/15 as compared to last year estimates i.e. 3630 thousand bags and 7.48% than 2012/13 estimates in expectation of higher domestic and international demand.

- Ending Stocks are likely to touch the level of 1641 thousand bags which is continuously declining from the estimate of 2013/14 i.e. 1787 thousand bags and 2012/13 i.e.1949 thousand bags.

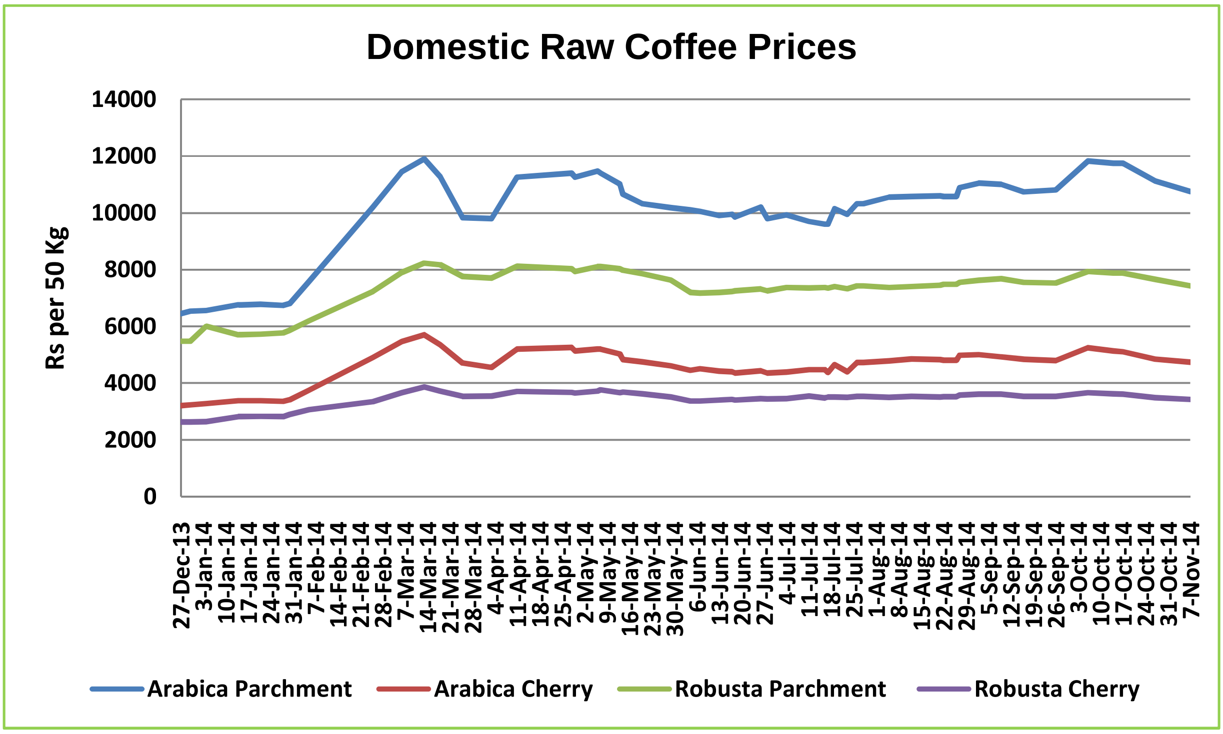
Below chart shows Production, Exports and Ending stocks details of India since 2009/2010:-



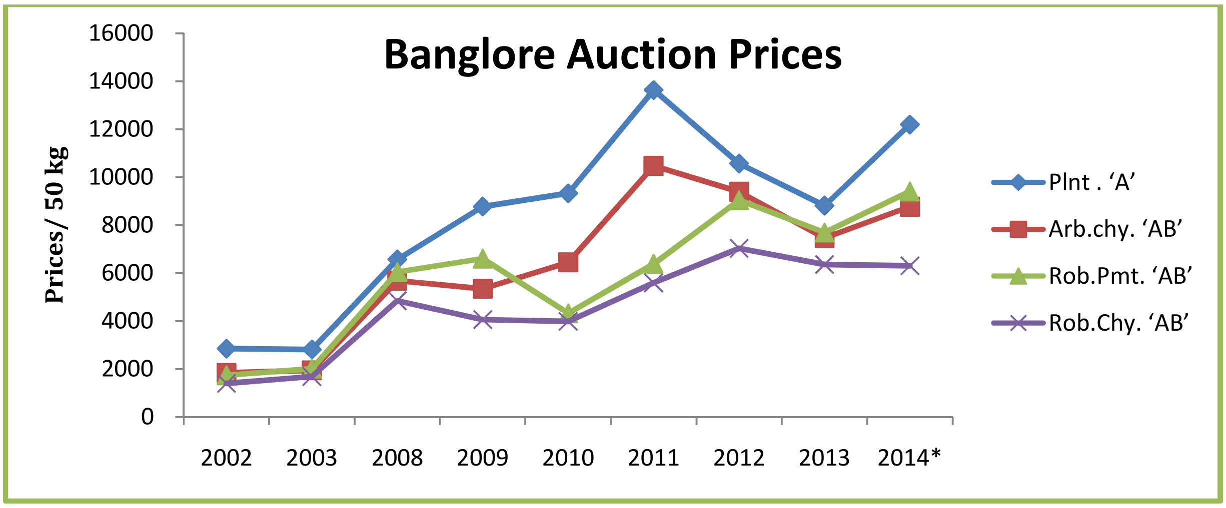
Source: USDA

Coffee Prices of Auction Market & State-wise Market

Yearly Coffee Prices of Plant "A" and Rob. Pmt. 'AB' at Bangalore auction centre are quoting highest level in 2014 compared to last 7 year record despite the prevailing prices in 2011 followed by international prices and forecast of global crops deficit. On a daily basis, domestic coffee prices of most of the varieties despite Robusta cherry slipped after a shower in Brazil and sluggish demand which also prompted global prices to fall. Robusta Parchment is registered down at 7425 Rs. per 50 kg against 7650 Rs. per kg of last week auction prices. Even, prices are down if comparing to Oct month prices as influenced by global price trend as well as slow demand. Below mentioned charts depicts domestic raw coffee prices and monthly prices in 2014:-



Source: The Coffee Board Of India



(2014* include Average price as on Sep month)

Source: The Coffee Board Of India

Domestic Raw Coffee Prices(Karnataka):

Variety	7.11.2014	27.10.2014	Change
Arabica Parchment	10400-11100	10950-11300	-200
Arabica Cherry	4725-4750	4750-4950	-200
Robusta Parchment	7200-7650	7550-7750	-100
Robusta Cherry	3325-3525	3475-3500	25

*** Values in Rs per 50 Kg**

ICTA Auction Prices (Karnataka)

Grade	6.11.2014	31.10.2014	Change	6.11.2014	31.10.2014	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	--	--	--	--	--	--
AA	310.00	--	--	--	--	--
PB	--	300.00	--	--	--	--
A	--	--	--	--	--	--
AB	--	--	--	185.00	--	--
B	--	--	--	--	--	--
C	--	232.50	--	--	145.00	--
BBB	156.20	160.00	-3.8	--	127.00	--
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	--	--	--	--
A	--	--	--	--	--	--
PB	189.00	--	--	142.00	--	--
AA	--	--	--	151.00	--	--
AB	--	--	--	145.26	--	--
B	--	--	--	--	--	--
C	--	--	--	138.00	--	--
BBB	126.00	126.00	Unch	131.50	127.00	4.5

Values in Rs. per kg

International Market Updates:

Weekly Futures Review -ICE Arabica coffee future prices of December contract fell with forecast of more rain for Brazil's parched coffee belts and a stronger U.S. dollar. Brazil's currency real also slipped at 2.56 against the dollar which also weighed in the market. ICE Prices pull down by 1.82% to 182.40 US cents/Ib as on 7th Oct 2014 compared to 185.85 US cents/Ib of last week prices. Liffe Coffee prices of Nov. month contract also fell by 1.02% to 2018 USD/T during this week end against 2039 USD/T of previous week closing.

Brazil:- Brazil have received about 30 mm rains in the coffee belt regions over the past week which helped coffee flowers to sustain as reported by Cooperatives. It is expected that coffee belt areas will be able to get heavy rain in mid-week which may help to coffee trees to set fruits.
As per the Coffee exporters Association Cecafe, total green coffee exports in Oct month is registered higher at 3.04 million 60-kg bags as compared to 2.90 million bags in the same month of last year followed by 2.76 million bags of Arabica exports and 2.75 million bags of Robusta exports. Brazil exported total coffee beans at 27.03 million bags from January through October 2014 which is higher by 18% from the last year exports during the corresponding period of time supported by rising global demand.
Below table shows Brazil's coffee Exports details in Oct month :-

Year	Robusta	Arabica	Green	Soluble	Total	$ Million
Oct'2014	275893	2.76	3.04	223598	3.26	672.9
Oct'2013	99005	2.8	2.9	327002	3.23	485.3

Source: Reuter

Vietnam:- As per the Traders, due to low trade activities, discounts on Vietnam coffee were stable this week. Importers are waiting for new crops arrivals as the harvest will start with a pace in early December 2014. further they added that total production of Vietnam may touch 30 million bags in 2013/14.
As per Vietnam's government, total exports of Vietnam fell by 72% to 1.75 million 60-kg bags against preceding year's exports record. Vietnam is likely to export between 120,000 tonnes and 150,000 tonnes (2-2.5 million bags) of coffee in Nov. month end higher against last month.

Colombia:- As per the Coffee Growers' federation, coffee production in Colombia reached at 1.1 million 60-kg bags of Arabica in October 2014 up by 4% against last year in the same month and total output is recorded at 12.16 million bags totaled of 12 month in 2014.
Below table is a breakdown of Output and Exports in 60-kg bags (in '000s):

Month	Production	Exports
October	1101	966
September	912	830
August	1151	889
July	1236	970
June	944	752
May	1050	831
April	832	824
March	828	928

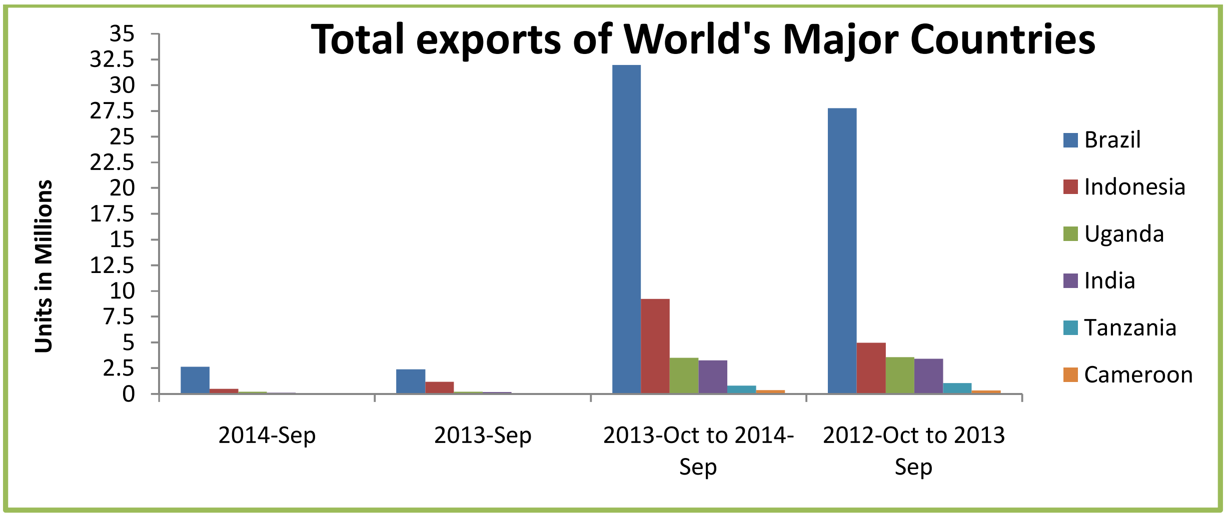
Source: Reuter

Coffee Estimates of the World

World Export Scenario:-

According to ICO, Brazil's exports climbed by 15.14% to 31.97 million bags during Oct-2013 to Sep-2014 against 27.76 million bags in the corresponding period of time last year supported by increasing consumption. However, Uganda, India & Tanzania are registered lower exports volume by 2% to 3.49 million bags, 4.42% to 3.25 million bags and 26% to 0.76 million bags respectively during Oct-2013 to Sep-2014 compared to 3.58 million bags,3.40 million bags and 1.40 million bags in the same period of time preceding year.

Below chart depicts total exports of the major countries in 2014 Vs last year:-



Source: ICO

Below are the production forecasts of Brazil for 2014/15 as given by different sources and associations of the world:-

Brazil's Production Forecast for 2014/15		
Sources	**Date**	**Total Production**
Neumann	Aug.26	45
Abic	Aug.26	45-47
Citigroup	31-Jul	41.75
Terra Forte	30-Jul	45.8
Brazil's National	25-Jul	Below 40
Reuters Poll	23-Jul	49
Safras e Mercado	12-Jun	48.9
Marex Soectron	11-Jun	49
Neumann	June	47.7
Mercon Group	30-May	50.5
F.O Licht	22-May	46
Conab	15-May	44.54.
U.S. Attache	12-May	49.5
Volcafe	22-Apr	45.5
IBGE	10-Apr	46.9
CNC	4-Apr	40.1-43.3
BNP Paribas	22-Mar	51.5

Source:Reuter

International Coffee Price Trend

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**6.11.2014**	**31.10.2014**	**6.9.2014**	**6.11.2013**
ICO Composite Indicator	158.79	162.08	168.21	--
Colombian Milds				
US	200	206.25	212	--
Europe	205.59	209.39	218.71	--
Group Indicator	202.57	207.69	215.09	--
Other Milds				
US	209.19	213.94	221.44	--
Europe	202.69	206.47	217.32	--
Group Indicator	205.16	209.31	218.89	--
Brazilian Naturals				
US	166	170.25	178	--
Europe	181.61	185.43	194.55	--
Group Indicator	177.55	181.48	190.25	--
Robusta				
US	104.33	107.33	108.92	--
Europe	100.11	101.55	102.73	--
Group Indicator	100.78	102.48	103.72	--

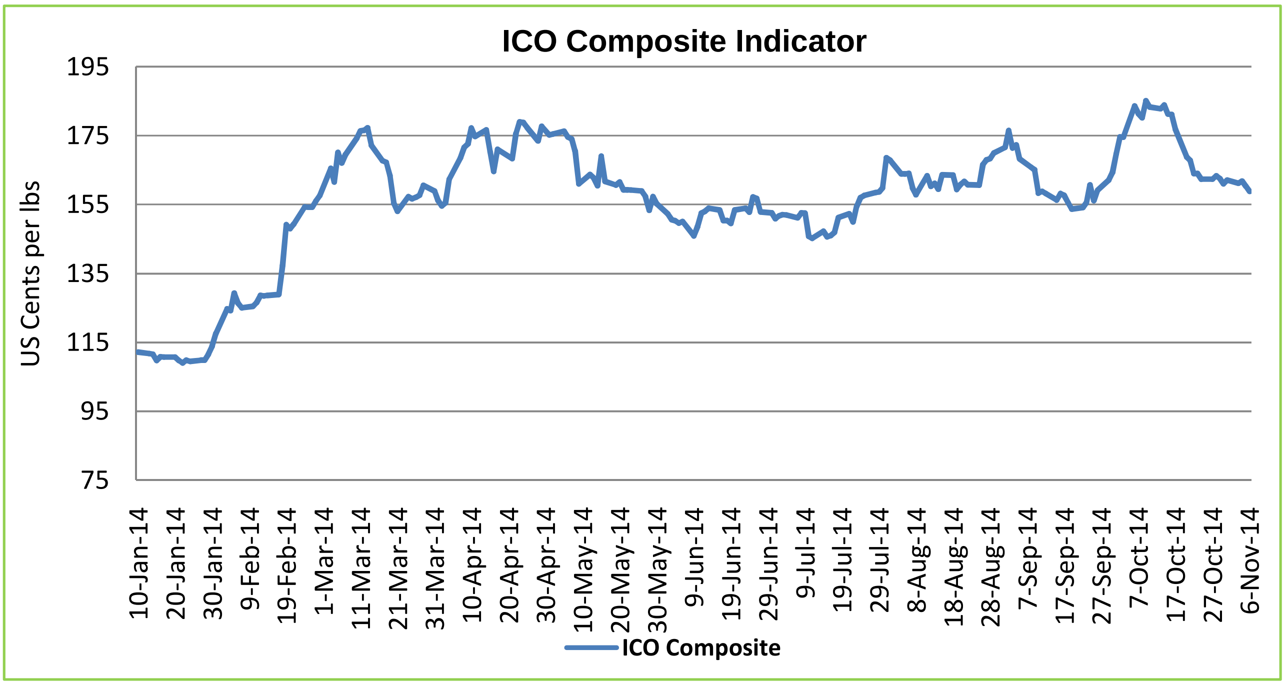
Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values in US cents/lb

All ICO group indicators as Columbian-mild, Other-milds and Brazilian-Naturals and Robusta went down to 202.57,205.16,177.55,100.78 respectively as compared to previous week prices. This week prices are even lower than last month prevailing prices. Prices may further slip from the current level on forecast of heavy rainfall in Brazil in next week as well.

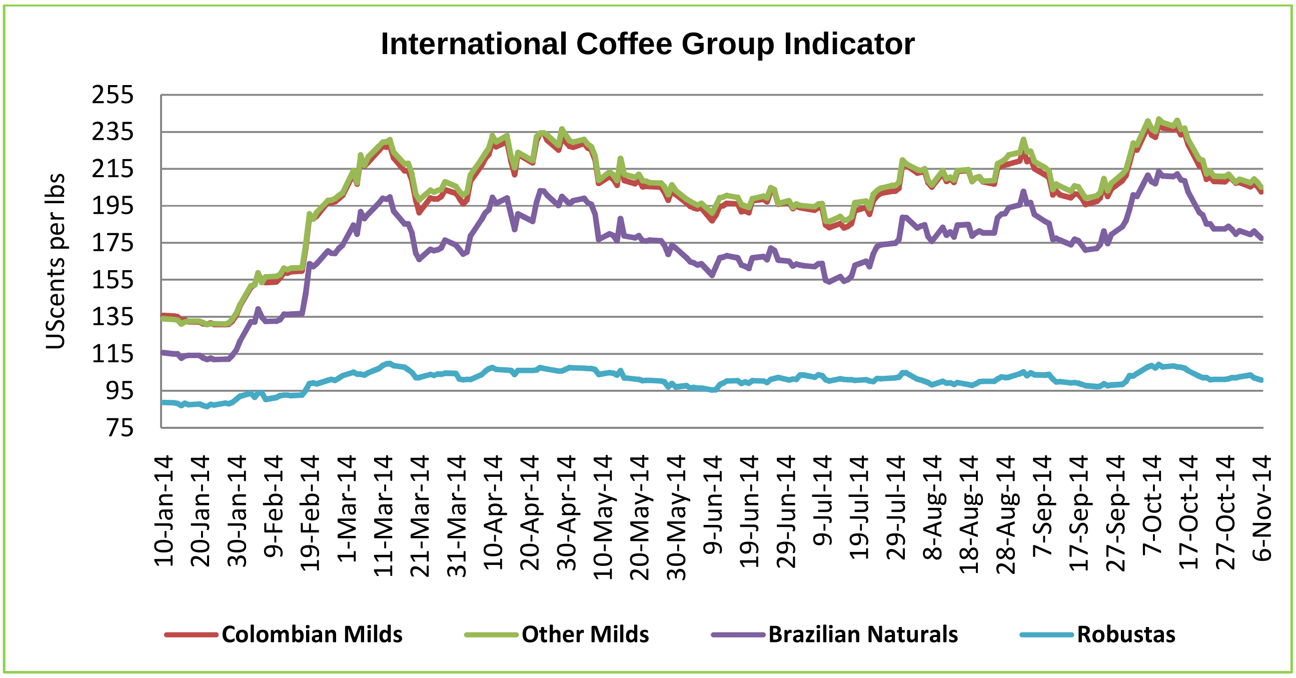
International Coffee Indicators Chart:-

Coffee prices of ICO composite Indicators on a Daily basis fetched down amid rainfall in Brazil's coffee belts during this week. Buyers activities are seen slow in the market. Further, heavy rain forecast in Brazil may weigh on the international coffee prices.

Below Chart shows movements of ICO Indicators Prices in 2014:-



Source: ICO



Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	**7-November-2014**	**Week ago (31 October,2014)**	**Month Ago (7 October,2014)**	**Weekly Change (%)**
December-2014	182.40	188.00	216.35	**-2.98**
March-2015	186.75	192.30	220.20	**-2.89**
May-2015	189.25	194.80	221.90	**-2.85**

USC/Ib

Liffe Robusta Coffee Futures Prices				
Contract Months	**7-November-2014**	**Week ago (31 October,2014)**	**Month Ago (7 October,2014)**	**Weekly Change (%)**
November-2014	2018	2048	2176	**-1.46**
January-2015	2019	2048	2187	**-1.42**
March-2014	2025	2053	2195	**-1.36**

USD/T

International Coffee Prices

	7.11.2014	**31.10.2014**	**7.10.2014**	**7.11.2013**
Vietnam (Robusta Beans Spot) (Dong/Kg)	39750	39900	42150	29500
Vietnam FOB (2-5 pct)* (Saigon port)	1955	1975	2077	1518
Indonesian FOB (4-80 defects)** (Lampung Port)	1965	1990	2090	1615

***FOB Values are in USD/T**

Weekly Auction Prices Of Kenya

Grade	**This sale ($) As on 4/11/2014**	**Average Price($)**	**Previous Sale($) As on 28/10/2014**
AA	208-39	210.55	170-324
AB	194-262	245.12	166-265
C	166-244	223.21	85-251
PB	229-265	247.15	195-265
T	76-220	118.91	73-212
TT	169-248	225.65	224-247

Units in $ per 50 kg bags

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

Weekly Technical Outlook:-

- Candlestick chart shows down trend in market during this week.
- Falling 14 days EMI hints further declining phase of the market in upcoming days.
- Rising volume and falling prices shows short covering scenario of the market.
- Relatively, RSI is also down at 50.07 compared to last week movement at 52.17 indicating further downward momentum in the next week.
- Falling trend line also indicates further declining phase of the market.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	178-199

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
164.92	175.62	182.4	200.60	208.92

US cents/Ib

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

Weekly Technical Outlook:-

- Candlestick chart depicts declining phase of the market on sellers interest.
- 14- days EMI is moving downside at 2035 from 2038 of last week record indicating further downtrend in the market.
- Falling Volume hints steady to downtrend in the market.
- Fibonacci retracement level of a upward wave shows resistance level at 2074 @38.2%in the market.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1982-2073

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1949	1980	2018	2074	2123

USD/T