

Highlights of The Week

Mixed trend were seen in domestic coffee auction market at Karnataka due to as increase in supplies and lackluster demand by exporters . In the Auction market, total 277,692 kg. of coffee was on offer where Arabica was included about 147,875 kg. and 129,817 kg of Robusta while only 19,000 kg was sold. Fresh supplies and continue widespread rain in Brazil may cause further to pull down global prices.

As per Indian Traders, total coffee production of India for 2014/15 may decline by 20 to 25% due to unseasonal heavy rain in 2014. In the current situation, farmers are harvesting slow and completed around 1 to 2% only as getting disturbance due to heavy rain in coffee belts areas during this week. Traders are in view to peak up harvesting pace from the first week of Dec,2014. On the Other hand, the Coffee Board of India has revised 2013/14 coffee crops and gave final estimates at 3.04 MT in Sep month from its earlier provisional estimates i.e. 3.11 MT.

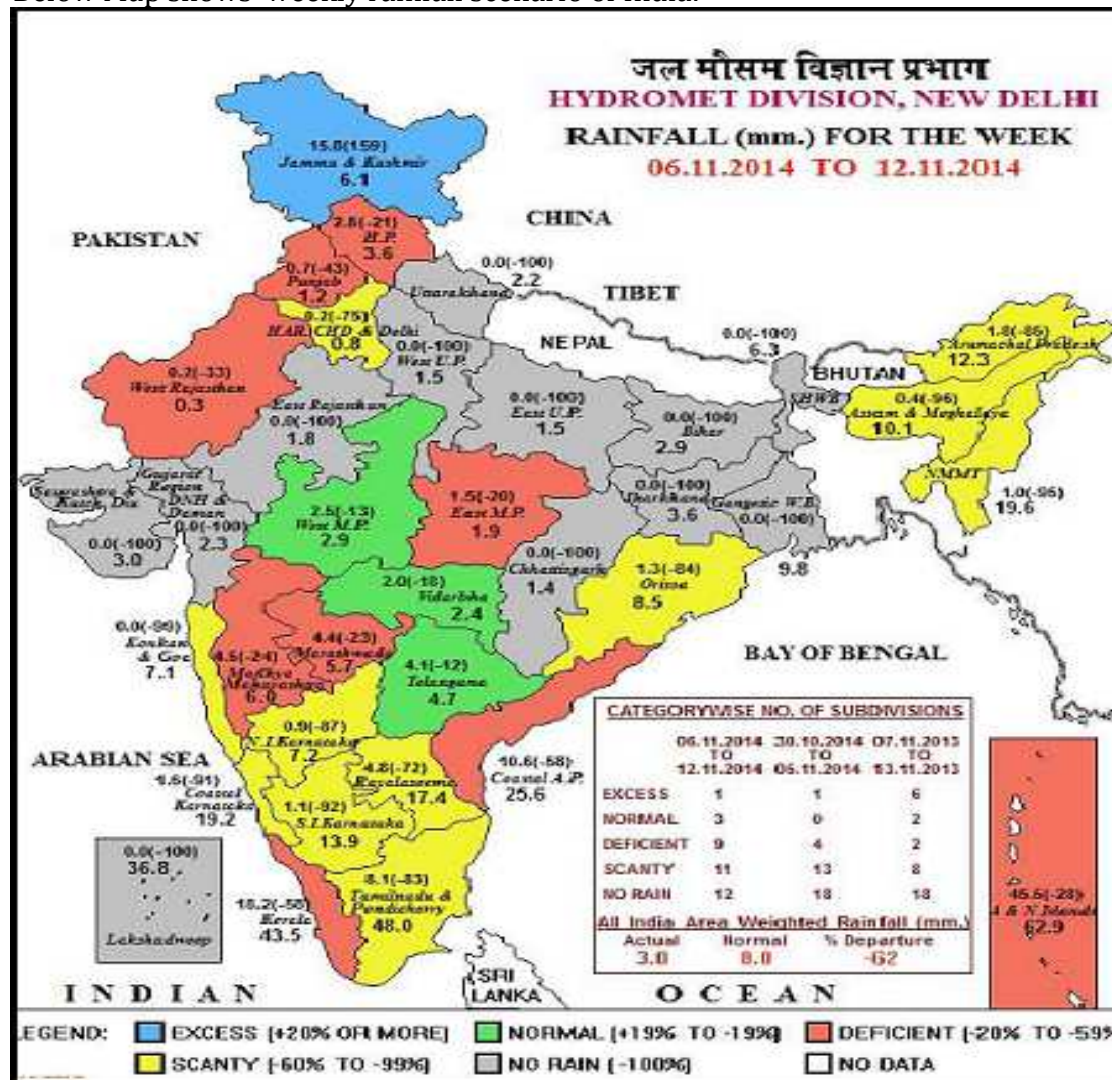
As per DGCIS report, India has received total coffee exports revenue around Rs. 354.62 crore which is in USD 58.26 million in Sep 2014 higher by 8.25% in Rs. and 13.39% in USD respectively against Rs. 237.59 crore and USD 51.38 million respectively of previous year in Sep month. It stood at Rs.2493.03 crore and the value in USD at 414.57 million since April-Sep in 2014 up by 2.53% in Rs. however minor down by 0.27% when the value is counting in USD against last year revenue at Rs.2431.57 crore and in USD 415.69 million in corresponding period of time.

Indian traders said that total exports of India is declined in 2014 as exporters could not fulfill their commitments as decided for delivery in the foreign countries because exporters are waiting for much higher prices from the current prevailing prices. As a result, they were unwilling to release the stocks. Total exports declined by 5% to 2,35,796 tonne from January to September in 2014. On the other hand, Indian exporters may step forward for new coming crops by December 2014. Coffee shipment of India is likely to improve in Western Europe for new crops.

According to ECLBFI, Coffee management services and Nestle are ready to boost up Kenyan coffee yields and output. Now, Nestle had initiated to improve the quality of coffee with technical support to coffee farmers which will help to increase employments for women and young generation as well. Further, they have jointly implemented related programme in rural areas of Kiambu, Muranga, Kirinyaga, Nyeri, Embu and Meru counties. As per CMS managing director, Approx. 4000 farmers have accepted the high yielding and diseases resistance Batian Variety as a result they are expecting 15% higher production by year 2016. Nestle had offered around 230,000 mature Batian seedling to the farmers to start the programme replacing old SL varieties. In the current situation, nine farmers' co operative societies have got a result with 70 to 400% rise in coffee production between 2011 to June 2014. Nestle has spent around 35 million during the three years with a good result.

Weather Updates of India

Below Map shows weekly rainfall scenario of India:-



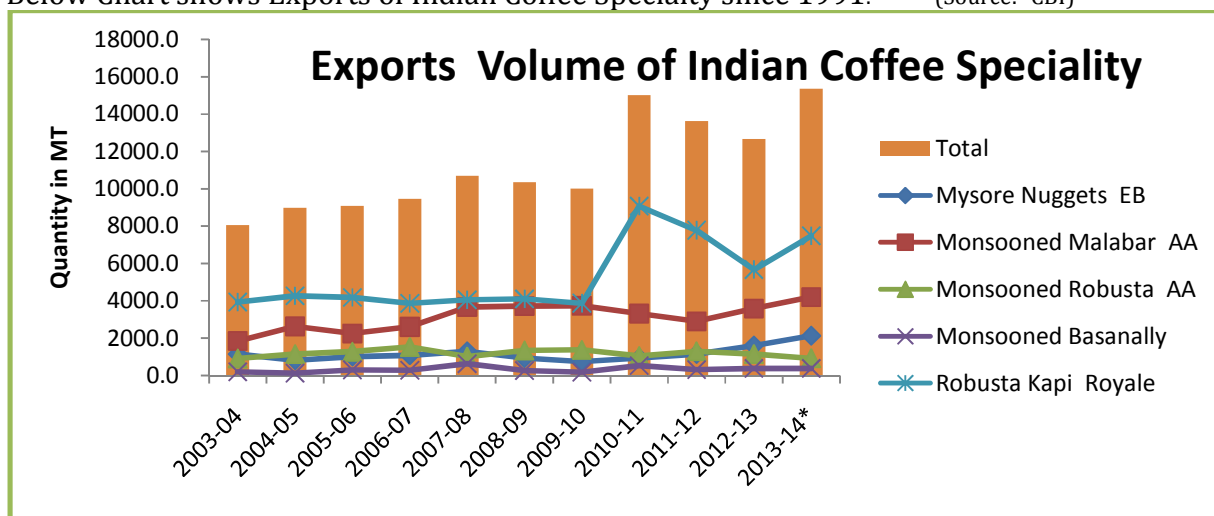
Source: IMD

- As per IMD, Thunderstorm was reported at isolated places over Jammu & Kashmir, Madhya Maharashtra, Coastal Andhra Pradesh, Coastal Karnataka, Tamil Nadu, Kerala and Lakshadweep during this week.
- India has received total 3.0 mm rainfall during this week lower by 62% against 8.0mm of Normal rain. While, Cumulative seasonal rainfall of India (1st October to 12th Nov.2014) is reported 32% down to 64.7 mm against Normal rainfall 95.6mm.
- An upper air cyclonic circulation laid over Tripura & neighborhood and extended up to 1.5 km above mean sea level on 10th. It extended up to 0.9 km above mean sea level on 11th and became unimportant on 12th.

Exports and Imports of India

According to the Coffee Board of India, total Indian exports volume of main Indian coffee specialty is reported down significantly by 17.60% to 15372.2 MT in 2013-14 as compare to 12665.8 MT of last year exports followed by low demand of Monsoon Robusta AA and Monsooned Basanally which stood at 925.8 MT and 375.0 MT respectively declining by 24.32% and 3.09% in 2013-14 against 3579.6 & 1151 MT of preceding years records.

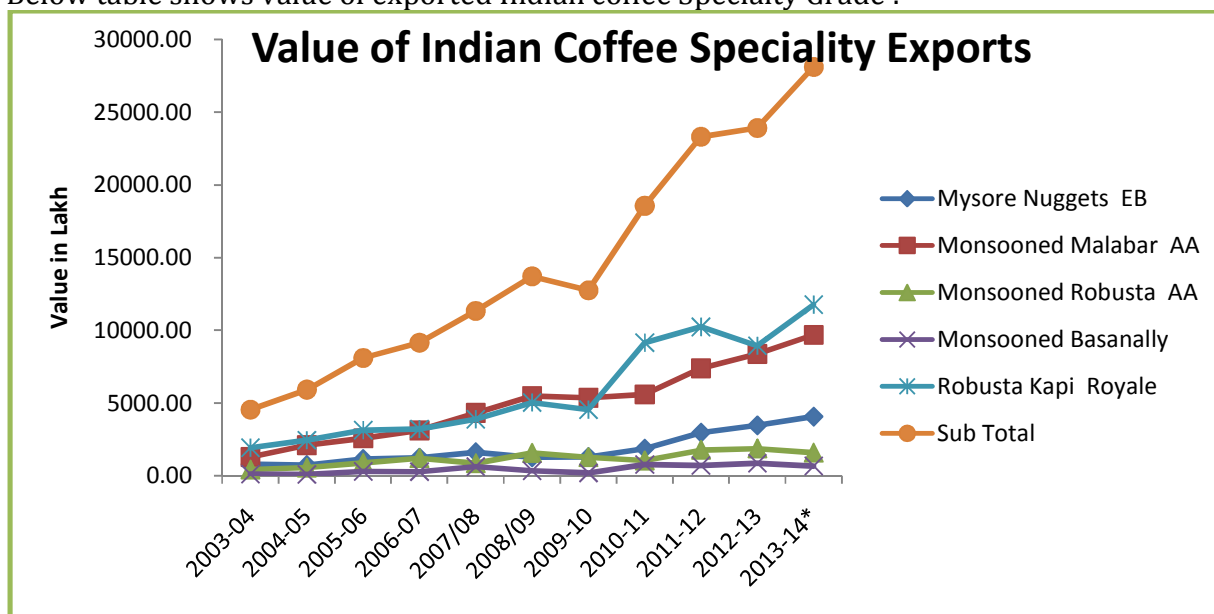
Below Chart shows Exports of Indian Coffee Specialty since 1991:- (Source:- CBI)



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

India exported major special grade of Indian coffee with a value of 28103.70 lakh of the same quantity as above mentioned in 2013/14 higher by 23913 lakh of last year value after higher value of Mysore Nuggest EB, Monsooned Malabar AA, Robusta Kapi Royale supported by an appreciation in dollar Vs Rupees despite less quantity.

Below table shows value of exported Indian coffee Specialty Grade :-



Source:-The Coffee Board of India

Domestic Crops Condition and Production

Coffee production estimate for 2013-14 is revised by The coffee Board of India. Total production of India is reduced from earlier estimate i.e. 311500 MT to 304500 MT in Sep month 2014 after a crop damage mainly in Karnataka, Kerala and Tamilnadu. Total production of Karnataka, Kerala and Tamilnadu is revised with a decline from 217,700 MT to 211100 MT, 67275 MT to 66675 MT, 18875 MT to 18775 MT respectively as crops affected by disease Roya in 2013/14.

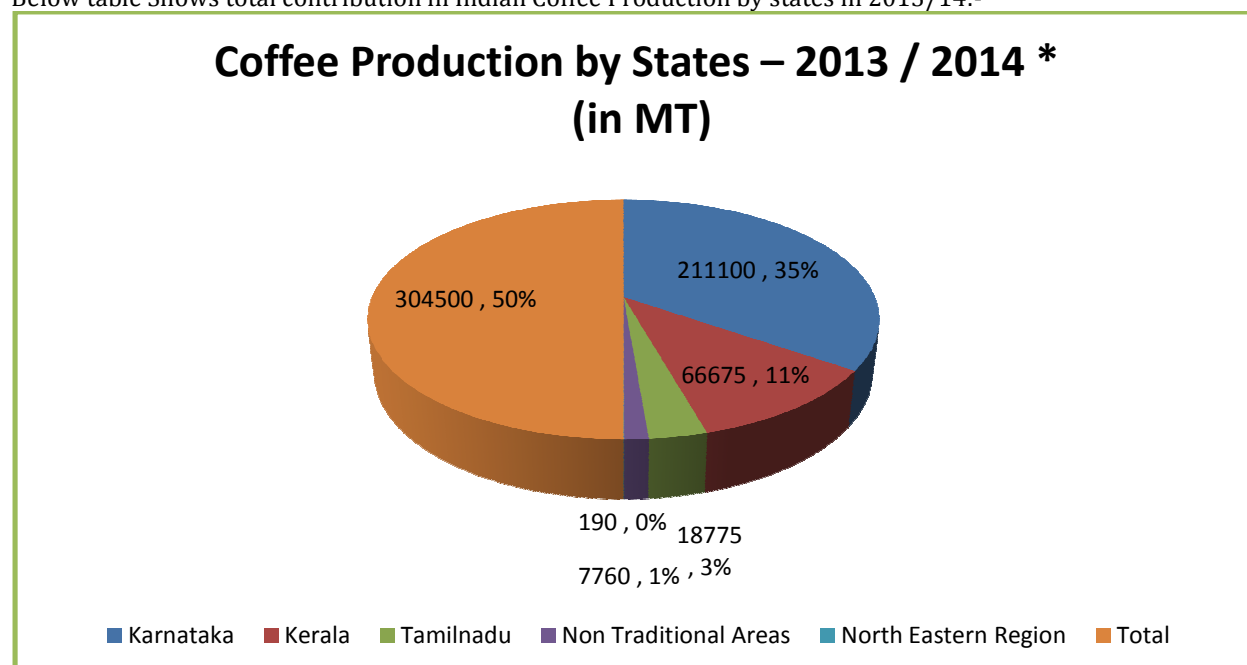
Below table shows revised Coffee production by States for 2013/14:-

Coffee Production by States – 2013 / 2014 *						
State	Arabica	%	Robusta	%	Total	%
Karnataka	78440	25.8	132660	43.6	211100	69.3
Kerala	2000	0.7	64675	21.2	66675	21.9
Tamilnadu	13950	4.6	4825	1.6	18775	6.2
Non Traditional Areas	7690	2.5	70	0.0	7760	2.5
North Eastern Region	120	0.0	70	0.0	190	0.1
Total	102200	33.6	202300	66.4	304500	100.0

(* Final Estimate)

Source: The Coffee Board of India

Below table Shows total contribution in Indian Coffee Production by states in 2013/14:-

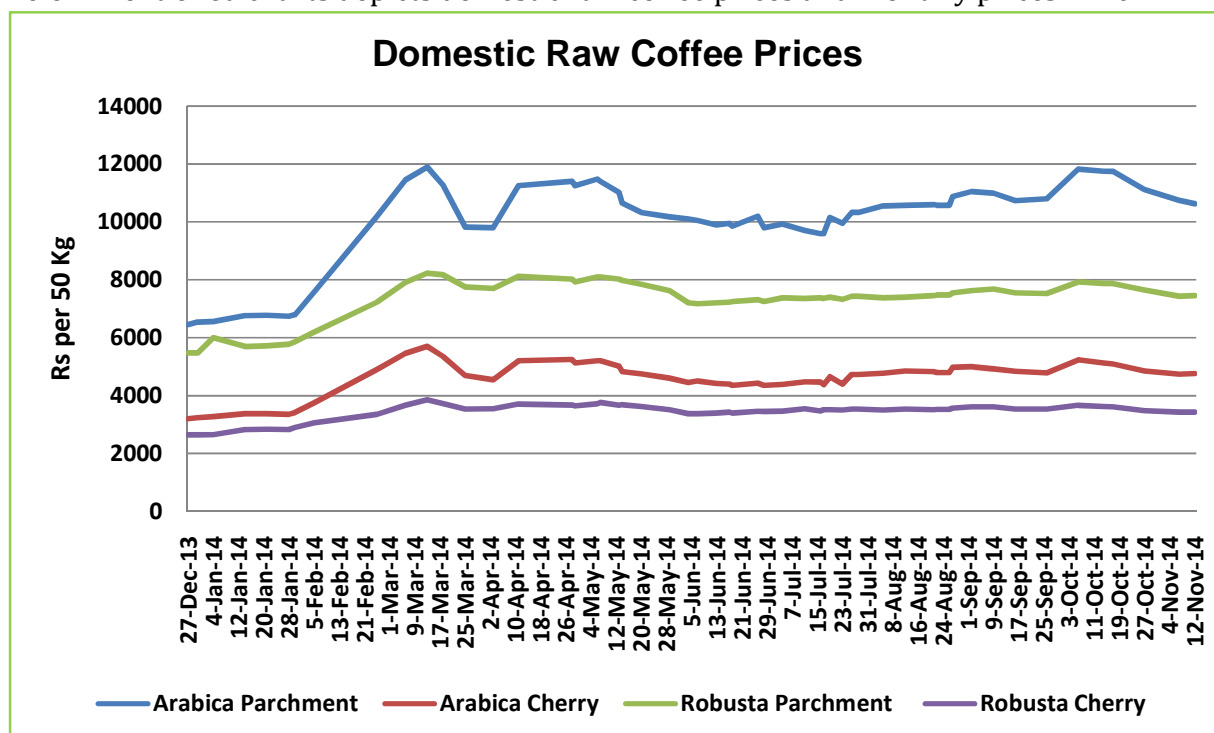


Source: The Coffee Board Of India

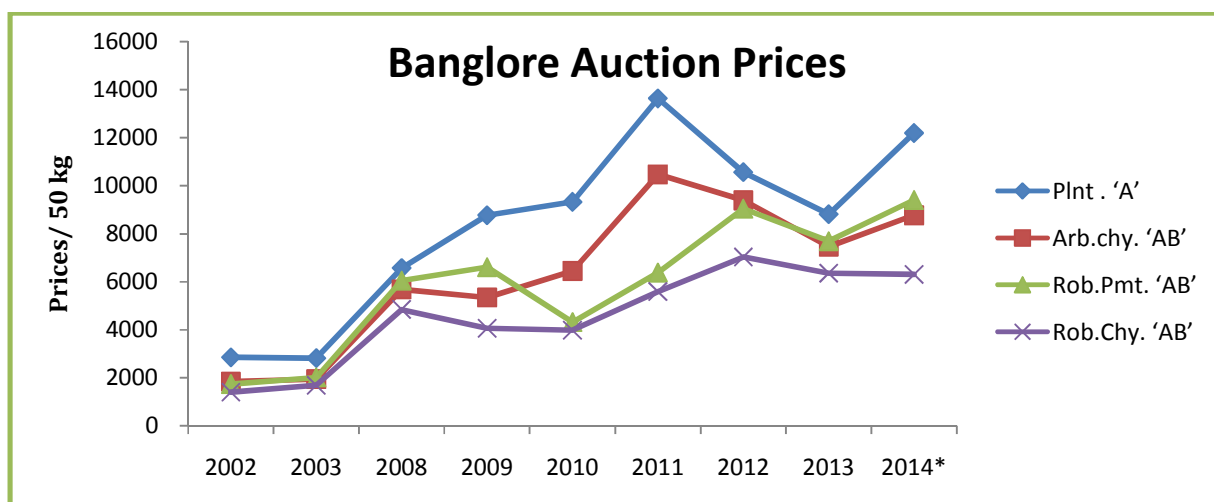
Coffee Prices of Auction Market & State-wise Market

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 are quoting with mixed trend. Robusta Parchment is registered up at 7700 Rs. per 50 kg against 7650 Rs. per kg of last week auction prices. While, Arabica parchment stood on lower side at 10900 Rs. per kg. compared to last week price i.e. 11100 Rs. per kg.

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	14.11.2014	7.11.2014	Change
Arabica Parchment	10350-10900	10400-11100	-200
Arabica Cherry	4725-4800	4725-4750	50
Robusta Parchment	7200-7700	7200-7650	50
Robusta Cherry	3325-3525	3325-3525	Unch

*** Values in Rs per 50 Kg**

ICTA Auction Prices (Karnataka)

Grade	13.11.2014	6.11.2014	Change	13.11.2014	6.11.2014	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	--	--	--	--	--	--
AA	--	310.00	--	--	--	--
PB	--	--	--	205.00	--	--
A	294.00	--	--	--	--	--
AB	--	--	--	--	185.00	--
B	--	--	--	--	--	--
C	--	--	--	--	--	--
BBB	161.86	156.20	5.66	--	--	--
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	--	--	--	--	--	--
A	--	--	--	--	--	--
PB	--	189.00	--	143.00	142.00	1
AA	--	--	--	148.00	151.00	-3
AB	--	--	--	144.00	145.26	-1.26
B	--	--	--	--	--	--
C	--	--	--	138.00	138.00	Unch
BBB	--	126.00	--	130.00	131.50	-1.5

Values in Rs. per kg

International Market Updates:

Weekly Futures Review -ICE Arabica coffee future prices of December contract increased with forecast of more rain for Brazil's parched coffee belts and a stronger U.S. dollar. On the other hand ,Speculators cut their net long position in Coffee as per U.S. commodity Future Trading Commission data. ICE Prices pushed up by 6% to 192 US cents/lb as on 14th Oct 2014 compared to 181.40 US cents/lb of last week prices. Liffe Coffee prices of Nov. month contract surged by 3% to 2074 USD/T during this week end against 2022 USD/T of previous week closing. As per Exchange Data, Certified Robusta coffee stocks held in ICE- nominated warehouse went up to 122,910 tonnes as on Nov. 10 as compared to 120,420 tonnes as of Oct.27.

Brazil:- As per Inmet Data, 15 to 25 mm (0.6-1.0 inches) rain fell in Coffee areas mainly in central and western Minas Gerais state during past 48 hrs. Widespread rain could be seen in Brazil's main coffee areas from No. 19 through Nov.28 as added by forecaster Somar.

As per local analyst Safras, coffee producers in Brazil have sold 49% of last year 's crop by the end of the first week in November 2014. Total 29.75 million bags of coffee have been sold of an estimated 48.9 million bags of 2014 crop including 20.65 million bags of Arabica and 9.10 million bags of Robusta. 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.

Vietnam:- As per Vietnam custom, Vietnam's exports are registered down by 1.6% to 95,800 tonnes (1.60 million 60- kg bags) of coffee in October from last month exports. Exported volume in Oct. is lower than traders' forecasts of 100,000 tonnes and from government's initial estimate of 105,000 tonnes. Most of the exported beans came from the previous season because new coffee beans are likely to come at Ports in November end. Only 20% new crops' cherries has ripened. Coffee Growers have finished 10 to 15% harvesting of their crop due to favorable weather condition. Farmers are holding fresh beans in expectation of higher prices. As per traders total production of Vietnam may touch 30 million bags in 2013/14.

Others:-

As per Tanzania Coffee Board (TCB), Coffee prices in Tanzania slumped at the auction of this week on the back of sluggish demand at New York London Market. The prices of benchmark grade AA Arabica quoted at \$196-\$230.80 per bags as on Thursday lower from \$ 201-\$263 at the last week sale. On the other hand, total 22,277 bags were offered at the latest sale lower against 24,866 bags of previous week auction and 21,175 bags were sold in this week down from the previous week sale i.e.23167 bags. Tanzania is ranking at 4th after Ethiopia Uganda, and Ivory Coast in total production mainly for Arabica and some Robusta.

Coffee Estimates of the World

Most of the sources pegged Brazil's total coffee output around 47 million bags for 2014/15 as crops suffered by draught as compared to bumper crop of 49.2 million bags of 2013/14. Extended drought in 2014 is likely to affect the crop size of 2015/16 as well. As per F.O.Licht, Coffee production of Brazil may touch the level of 43 million bags in 2015/16. While, Conab kept total Brazil's output at 48.83 million bags for 2015/16 due to inability of new branch growth on many Arabica trees. Estimates range widely from below 40 million bags to 53 million bags.

Below are estimates for Brazil's **coffee** output:

Source	Issued Date	2014/15	2015/16	Robusta 2014/15	Arabica 2014/15
Comexim	Nov.13	44-47		16	28-31
Rabobank	Oct.28	47	47	17	30
F.O.Licht	Sept.26	46	43		
Conab	Sept.16	44.14		13.03	32.11
Conab	Sept.11		48.83		
Volcafe	Sept.5	47			
Ecom	Sept.26	53-55	50-53		
Neumann	Aug.26		45		
Abic.	Aug.26	45-47			
Federal University	Aug.19				24-27
Citi group	July.31	41.75			
Terra Forte	July.30	45.8			
Brazil's National	July.25	Below 40			
Reuter Poll	July.23	49			
Safras e Mercado	June.12	48.9			
Merex Spectron	June.11	49			
Neumann	June	47.7			
Mercon Group	May.30	50.5			
U.S. Attache	May.12	49.5		16.4	33.1
IBGE	April.10	46.9		12.2	34.7
CNC	April.4	40.1-43.3			

Source: Reuter

International Coffee Price Trend

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	14.11.2014	6.11.2014	14.9.2014	14.11.2013
ICO Composite Indicator	164.68	158.79	183.84	--
Colombian Milds				
US	208.25	200	234	--
Europe	213.06	205.59	241.22	--
Group Indicator	210.46	202.57	237.32	--
Other Milds				
US	218.19	209.19	243.44	--
Europe	210.48	202.69	239.71	--
Group Indicator	213.41	205.16	241.12	--
Brazilian Naturals				
US	173.25	166	197	--
Europe	189.23	181.61	217.57	--
Group Indicator	185.08	177.55	212.22	--
Robusta				
US	107.67	104.33	112.08	--
Europe	102.34	100.11	107.02	--
Group Indicator	103.19	100.78	107.83	--

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

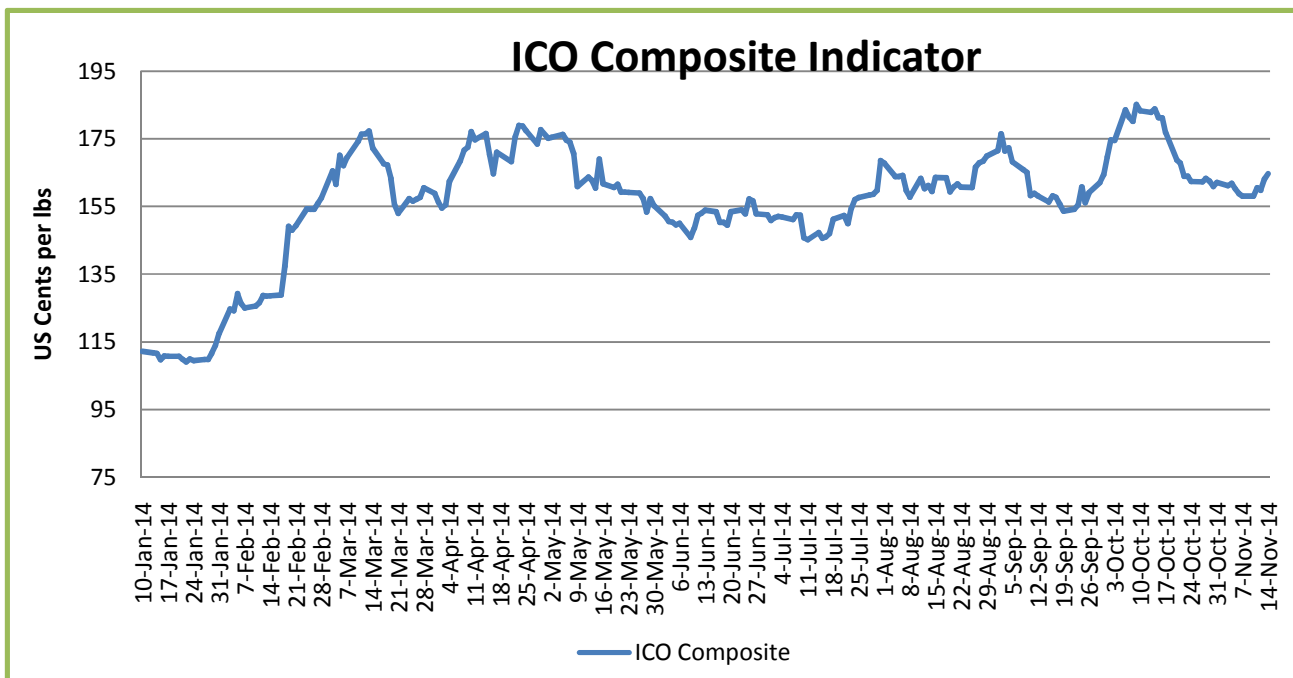
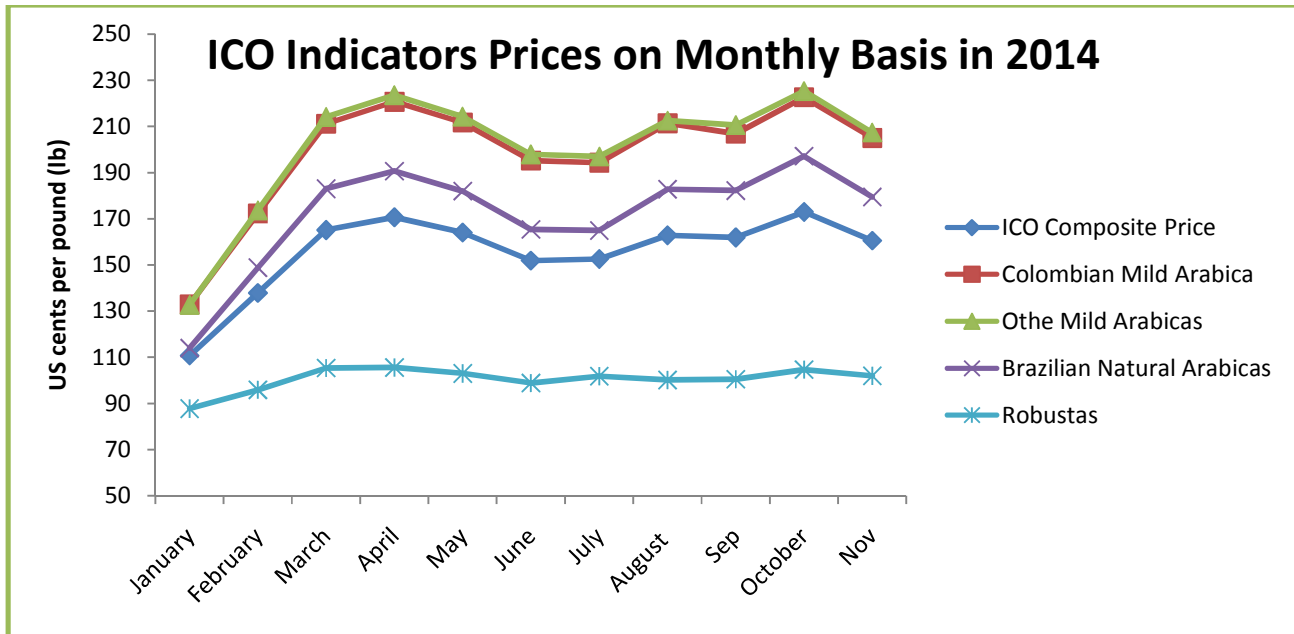
All ICO group indicators as Columbian-mild, Other-milds and Brazilian-Naturals and Robusta went up to 210.46,213.41,185.08,103.19 respectively as compared to previous week prices. This week prices are e lower than last month prevailing prices. Prices may further slip from the current level on forecast of heavy rainfall in Brazil in next week as well.

International Coffee Indicators Chart:-

ICO prices of all the indicators are falling in Nov. after making a highest record of the year in Oct month due to rain in Brazil and declining demand. However, ICO composite indicators prices on daily basis increased up followed by fresh buying activities due to low prevailing prices in the market.

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	14-November-2014	Week ago (7 November,2014)	Month Ago (14 October,2014)	Weekly Change (%)
December-2014	192.00	182.40	221.90	5.26
March-2015	196.35	186.75	225.75	5.14
May-2015	198.80	189.25	227.60	5.05

USC/lb

Liffe Robusta Coffee Futures Prices				
Contract Months	14-November-2014	Week ago (7 November,2014)	Month Ago (14 October,2014)	Weekly Change (%)
November-2014	2074	2018	2155	2.78
January-2015	2074	2019	2174	2.72
March-2014	2077	2025	2184	2.57

USD/T

International Coffee Prices

Liffe Robusta Coffee Futures Prices				
Contract Months	14-November-2014	Week ago (7 November,2014)	Month Ago (14 October,2014)	Weekly Change (%)
November-2014	2074	2018	2155	2.78
January-2015	2074	2019	2174	2.72
March-2014	2077	2025	2184	2.57

*FOB Values are in USD/T

Weekly Auction Prices Of Tanzania

Grade	Offered	Sold	Low	High	Average
Arabica AA	8283	8026	196	230.8	204.64
Arabica A	4298	4262	196	215.8	201.56
Arabica AB	3141	2555	190	226	207.06
Arabica B	2624	2587	194.8	210	198.65
Arabica PB	2171	2023	190	227	203.31
Arabica C	1330	1292	170	204.2	184.71
Robusta Superior	430	430	101	102	101.84

Units in \$ per 50 kg bags

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



Weekly Technical Outlook:-

- Candlestick chart depicts uptrend in the market.
- Rising 14 days EMI hints further increasing phase of the market in upcoming days.
- Rising volume and Increasing prices shows bullish trend of the market.
- Relatively, RSI is also up at 53.03 compared to last week movement at 49.12 indicating further upward momentum in the next week.
- Fibonacci projection level on down wave shows strong resistance level at 198.66 @23.60 and support level at 168.71@50% in the next week.

Expected Price Range During Coming Week

<u>Expected Trend</u>	<u>Expected Trading Band</u>
<u>Range-bound to Bearish Momentum</u>	186-197

US cents/lb

Expected Support and Resistance

S2	S1	PCP	R1	R2
168.71	176.52	192	198.66	206.26

US cents/lb

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



Weekly Technical Outlook:-

- Candlestick chart shows uptrend in the market on buyers interests.
- 14- days EMI is moving upside at 2040 from 2035 of last week record indicating further bullish trend in the market.
- However, falling Volume and rising prices hints short build up in the market.
- Fibonacci retracement level of an upward wave shows support level at 1995 @61.8% in the market and resistance level at 2122 @23.6%.

Expected Price Range During Coming Week

<u>Expected Trend</u>	<u>Expected Trading Band</u>
<u>Range-bound to Bearish Momentum</u>	2000-2110

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1958	1995	2074	2122	2201

USD/T

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.php> © 2014 Indian Agribusiness Systems Pvt. Ltd.