Highlights of The Week

Domestic coffee prices at auction market in Karnataka inched up supported by good demand. In the Auction market, total 259,525 kg. of coffee was on offer where Arabica was included about 133,021 kg. and 126,504 kg of Robusta while 63,000 kg. was sold.

As per USDA latest report, total coffee exports of India is likely to go up slightly at 5.02 million bags in 2014/15 marketing year (Oct- Sep) despite higher prices in the international markets. Total exports of 2013/14 marketing year is estimated at 4.8 million bags of coffee. Currently, demand is seeing slow as buyers are waiting for new crops arrivals. On the another hand, big grower and large exporters are holding stocks in expectation of higher prices. However, prevailing prices are already high almost 35% than previous year prices. The average farm gate price of Arabica coffee was quoting Rs 9,712 per 50 kg in September this year, much higher than Rs 6,393 per 50 kg in previous year and the average farm gate price of Robusta coffee was quoting at Rs 3,384 per 50 kg as against Rs 2,945 per 50 kg in the review period. Total Indian coffee supply may touch higher level at 8.3 million bags due to rising opening stocks compared to 8.15 million bags in the last year. It expects total coffee production of India higher at 5.1 million bags in 2014/15 from 5.07million bags in 2013/14 in anticipation of higher yield in Robusta crop due to improved agronomic practices however lower yield in Arabica due to diseases "Roya".

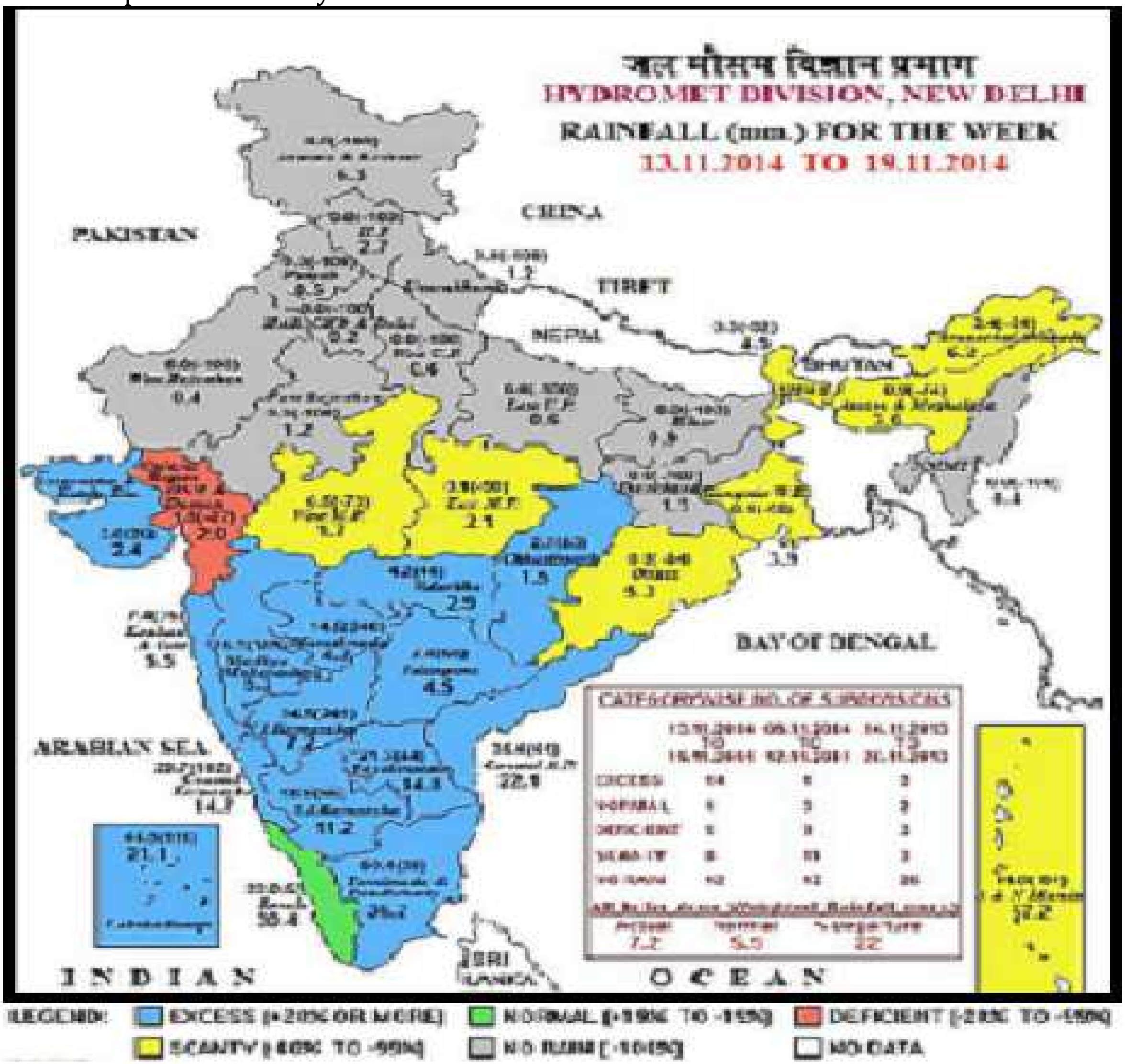
As per DGCIS report, India has received total coffee exports revenue around Rs. 306.52 crore which is in USD 49.97 million in Oct. 2014 lower by 5.69% in Rs. and 5.27% in USD respectively against Rs. 325 crore and USD 52.75 million respectively of previous year in same month. It stood at Rs.2799.55 crore and the value in USD at 464.54 million since April-Oct. in 2014 up by 1.56% in Rs. however minor down by 0.83% in USD against last year revenue in Rs.2756.57 crore and in USD 468.44 million in corresponding period of time.

As per USDA report, Brazilian coffee production for 2014/15 was revised with an increase by 1.7 million bags to 51.2 million 60-kg bags against its earlier estimates supported by better than expected yields in some growing areas. However, given estimates is remain lower around 3.3 million bags from the preceding year production. On the other hand, coffee exports were revised upside slightly to 33.53 million bags against its previous estimates i.e. 29 million bags for 2014/15 however remain 600,000 below from the previous year. Carry-over stocks are projected at 6.98 million bags.

According to Cacafe, total green coffee exports (Arabica and Robusta) of the world surged by 16.1% to 11.17 million 60-kg bags during (July-October-14) against 2013 exports volume in the corresponding period of time. Total complied exports volume of green, roasted and grounded and soluble coffee also rose by 14.04% to 12.38 million bags from same period of time in 2013 followed by total revenue in dollar at 2.41 billion of the same exported volume including total coffee types which is up by 46.4% compared to the same period in 2013.

Weather Updates of India

Below Map shows weekly rainfall scenario of India:-



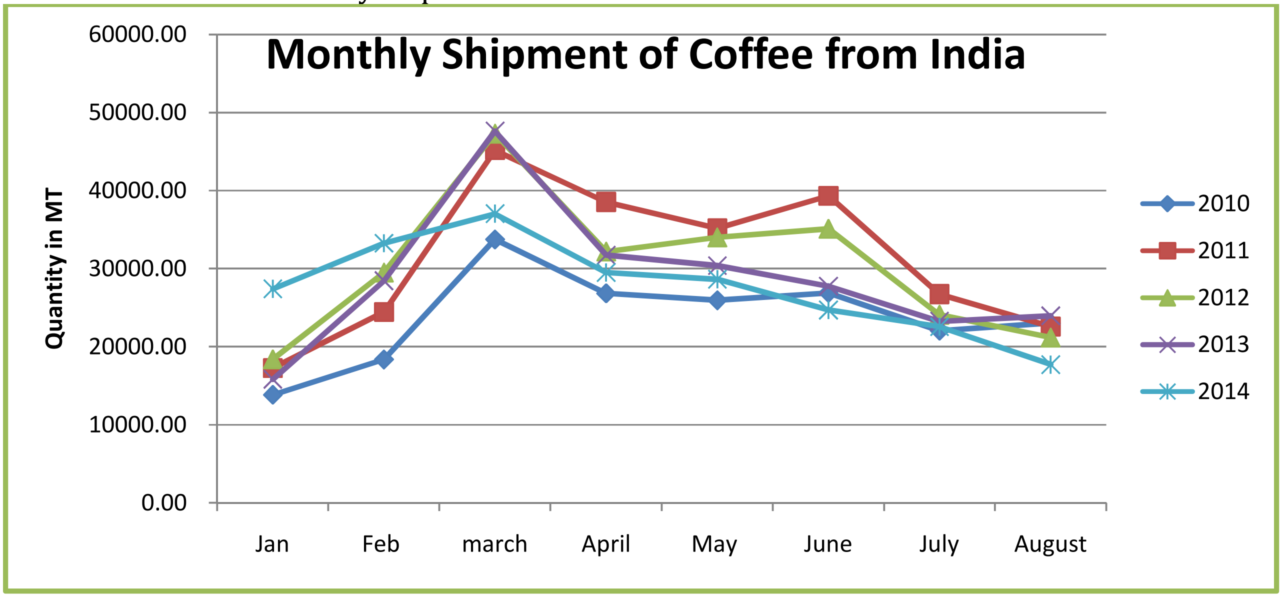
Source: IMD

- India has received total 7.2 mm actual rainfall during this week access by 22% against 5.9 mm of Normal rain. While, Cumulative seasonal rainfall of India (1st October to 19th Nov.2014) is reported 29% down to 71.7 mm against Normal rainfall i.e. 101.6 mm.
- Thunderstorm activity was reported at isolated places over West Madhya Pradesh, Gujarat State, south Madhya Maharashtra, Marathawada, south Chhattisgarh, Coastal Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Kerala, and Lakshadweep islands on one or two days of the week.

Exports and Imports of India

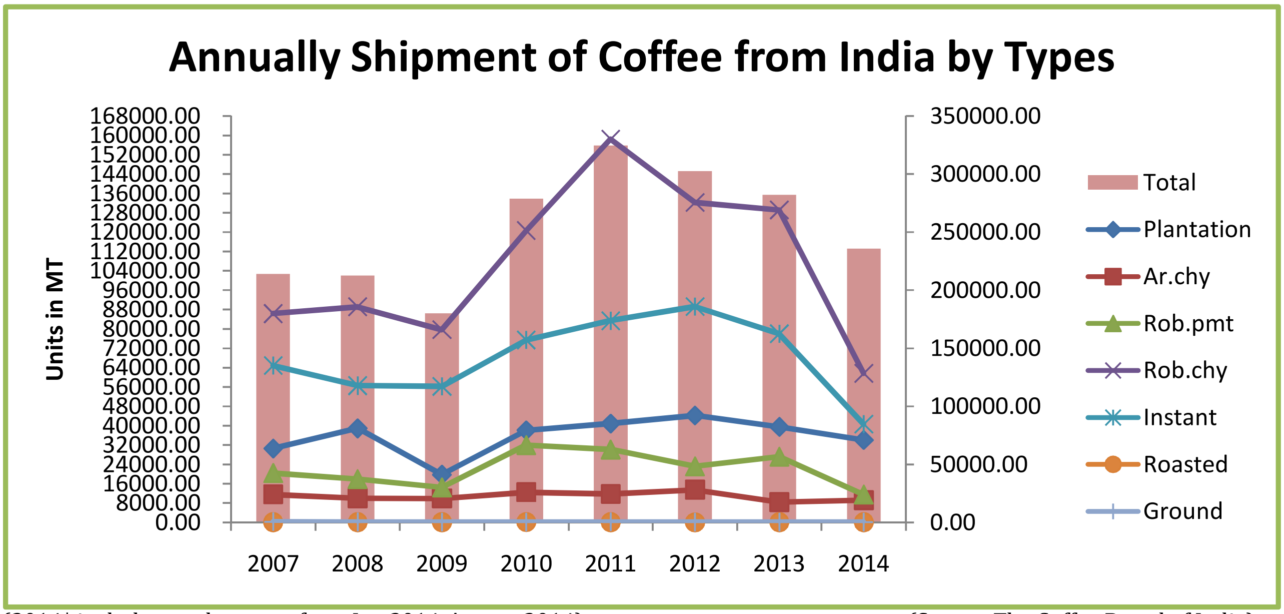
As per the coffee Board of India, total coffee exports of India is dropping month on month basis due to season ending in every year since 2010. Total shipment of India is recorded at 220817 MT from Jan-2014 to August-2014 lower than previous year record i.e. 228957 MT during the same period of time after a major fall in Robusta Cherry, Robusta Parchment and Instant coffee type. Indian exports starts declining from April month in 2014 due to less exporters demand despite lower stocks availability.

Below Chart shows Monthly shipment of f Indian Coffee from 2010-2014:-



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

Below chart depicts Annually shipments of Coffee From India by types from 2007-2014:-



(2014* includes total exports from Jan 2014-August 2014) (Source-The Coffee Board of India)

Domestic Crops Condition and Production

Indian Coffee production estimates for 2013-14 is revised by the coffee Board of India. Total production of India is reduced from earlier estimates 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 are the production of Coffee in Major States/Districts of India:-

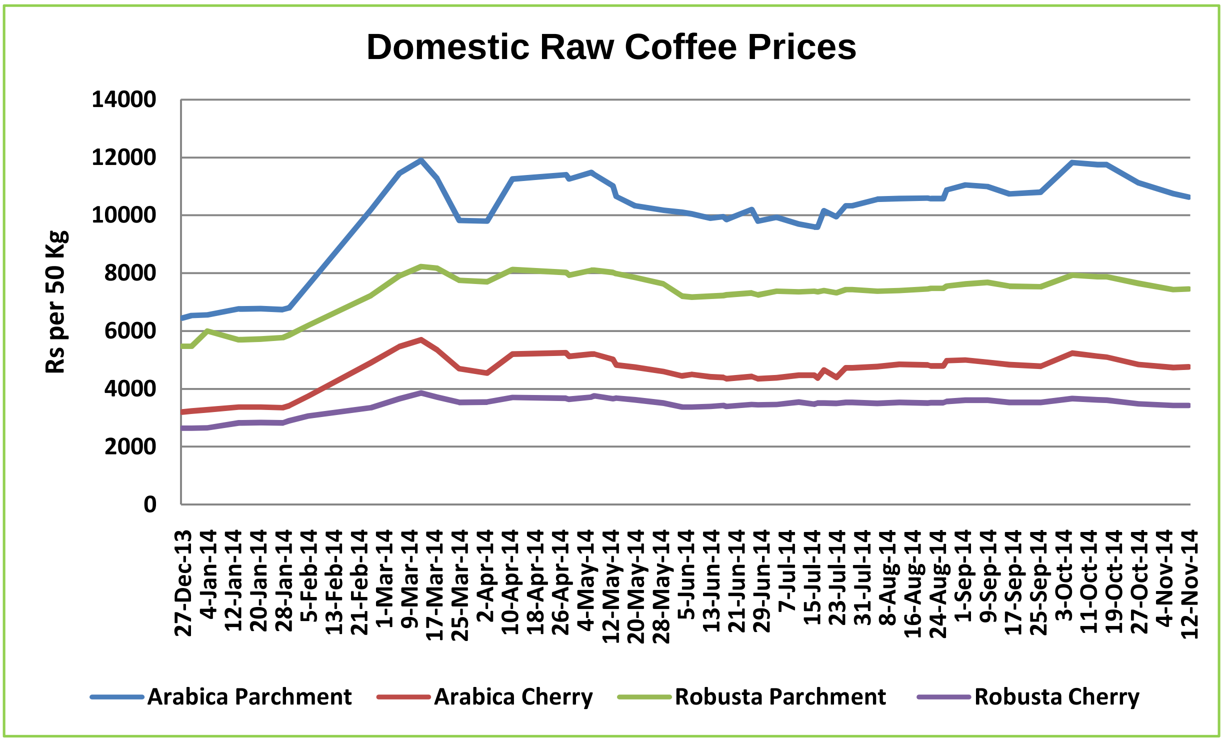
State/District	Post Blossom Estimation			Final Estimate		
	2014-15			2013-14		
	Arabica	Robusta	Total	Arabica	Robusta	Total
Karnataka						
Chikmagalur	41,170	40,000	**81,170**	38,250	30,640	**68,890**
Kodagu	20,150	113,000	**133,150**	21,040	90,820	**111,860**
Hassan	19,380	14,600	**33,980**	19,150	11,200	**30,350**
Sub total	**80,700**	**167,600**	**248,300**	**78,440**	**132,660**	**211,100**
Kerala						
Wayanad	0	57,900	**57,900**	0	56,425	**56,425**
Travancore	900	7,300	**8,200**	900	6,700	**7,600**
Nelliampathies	1,175	1,600	**2,775**	1,100	1,550	**2,650**
Sub total	**2,075**	**66,800**	**68,875**	**2,000**	**64,675**	**66,675**
Tamil Nadu						
Pulneys	7,575	375	**7,950**	6,975	325	**7,300**
Nilgiris	1,600	3,775	**5,375**	1,800	3,950	**5,750**
Shevroys (Salem)	2,700	50	**2,750**	3,875	50	**3,925**
Anamalais (Coimbatore)	1,300	500	**1,800**	1,300	500	**1,800**
Sub total	**13,175**	**4,700**	**17,875**	**13,950**	**4,825**	**18,775**
Non Traditional Areas						
Andhra Pradesh	8,790	70	**8,860**	7,250	70	**7,320**
Orissa	620	0	**620**	440	0	**440**
Sub Total	**9,410**	**70**	**9,480**	**7,690**	**70**	**7,760**
North Eastern Region	140	80	**220**	120	70	**190**
Grand Total (India)	**105,500**	**239,250**	**344,750**	**102,200**	**202,300**	**304,500**

Source: The coffee Board of India (Quantity in MT)

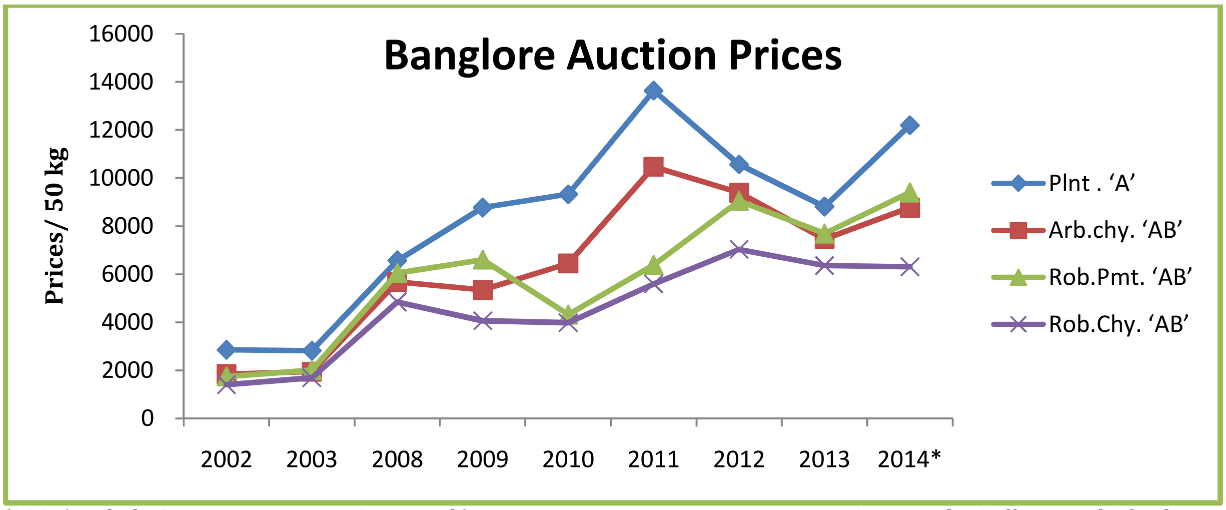
Coffee Prices of Auction Market & State-wise Market

In the Current Scenario, Arabica parchment is fetching 69 per cent higher average price at Rs. 11,000 per bag (each bag is 50 kg) ex-field in Karnataka compared to Rs 6,500 per bag last year. The farm gate average price of Arabica Cherry is up by 28 per cent at Rs 3,600 per bag compared to Rs 2,800 per bag a year ago. Even, annual coffee prices of Plant "A" and Rob. Pmt. 'AB' at Bangalore auction centre are quoting highest level in 2014 compared to last 7 years record despite the prevailing prices in 2011 followed by high international prices and forecast of global crops deficit.

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	21.11.2014	14.11.2014	Change
Arabica Parchment	-	10350-10900	-
Arabica Cherry	-	4725-4800	-
Robusta Parchment	-	7200-7700	-
Robusta Cherry	-	3325-3525	-

*** Values in Rs per 50 Kg**

ICTA Auction Prices (Karnataka)

Grade	20.11.2014	13.11.2014	Change	20.11.2014	13.11.2014	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	271.00	--	--	--	--	--
AA	--	--	--	--	--	--
PB	--	--	--	--	205.00	--
A	--	294.00	--	--	--	--
AB	--	--	--	--	--	--
B	--	--	--	--	--	--
C	--	--	--	--	--	--
BBB	151.00	161.86	-10.86	134.50	--	--
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	--		--	--
A	--	--	--		--	--
PB	189.00	--	--	145.80	143.00	2.8
AA	--	--	--	150.50	148.00	2.5
AB	--	--	--	--	144.00	--
B	--	--	--	--	--	--
C	--	--	--	138.50	138.00	0.5
BBB	--	--	--	131.00	130.00	1

Values in Rs. per kg

International Market Updates:

Weekly Futures Review -ICE Arabica coffee future prices of December contract fell slightly after revised Brazil's production upwardly by USDA along with a stronger dollars. According to the Green Coffee Association (GCA)U.S. Green coffee stocks decreased by 25,849 to 60,014,43 kg bags by the end of October 2014 as exporters are making room for new harvested crops. ICE Prices pull down by 1% to 189.65 US cents/Ib as on 21st Oct 2014 compared to 192 US cents/Ib of last week prices. While, Liffe Coffee prices of Nov. month contract went slightly up at 2076 USD/T during this week end against 2074 USD/T of previous week closing.

Vietnam:- As per Volcafe forecast, Vietnam may produce 27.4 million bags of coffee in 2014/15 down 1.2 million from its earlier projection and lower from last year records i.e. 30 million bags due to poor yield and adverse weather condition which may cause to deficit total global Robusta output around 3 million bags in 2014/15. Vietnam is the biggest Robusta producers of the world. As per Atlanta based commodity consultancy president, Vietnam is expected to grow total coffee in the range of 26 to 27 million bags in 2014/15 while traders keeps their forecast of Vietnam's coffee Production at 28 million bags for the current year. As per provincial officials, total coffee production in Dhaklak (a third of the total coffee output in Vietnam) may decline by 10% to 420,000 tonnes followed by lower yield and dry weather in 2014/15 against last year crops size.

Others:-

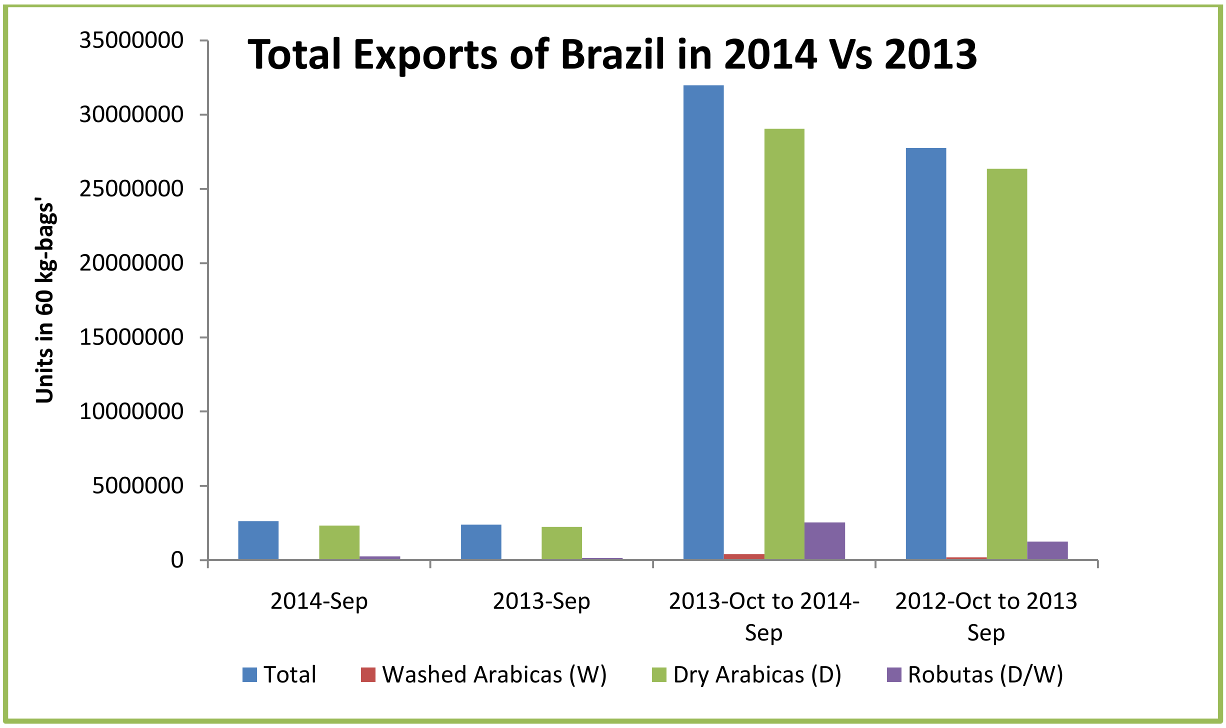
- **As per USDA report, total Arabica production of Indonesia for 2014/15 is revised** down by 100,000 bags to 1.45 million bags due to dry weather condition in the major coffee producing region northern Sumatra. Domestic use of Indonesia is estimated up at 2.9 million bags for 2014/15 from 2.83 million bags of last year due to an increase in local consumption as said by Industry sources.
- As per Tanzania Coffee Board (TCB), Coffee prices in Tanzania increased at the auction of this week due to lower supplies at New York London Market. The prices of benchmark grade AA Arabica quoted at $198.20-$237.50 per bags as on Thursday higher from $ 196-$230.80 at the last week sale. On the other hand, total 17,045 bags were offered at the latest sale lower against 25,296 bags of previous week auction and 15,946 bags were sold in this week down from the previous week sale i.e.18,503bags.
- As per USDA, Colombian coffee production in 2014/15 is revised up at 12.3 million bags green bean equivalent (GBE) against Post's estimates of 11.9 million bags in May 2014.Total exports are revised with an increase to 11.3 million bags in 2014/15 from the May 2014 estimates of 11 million bags. On the other hand, Volcafe keeps its production forecast unchanged at 12 million bags in 2014/15 compare to its prior estimates.
- As per National Cocoa and Coffee Board, total Robusta coffee exports of Cameroon have touched 18,543 tonnes by the end of October 2014 up from 14,673 tonnes for the same period of time in last year.

Coffee Estimates of the World

Brazil's Coffee Crops Outlook:- As per local forecaster Somar, Brazil is likely to receive rains in southeast coffee regions supported by a cold front. They are expecting about 70 to 130 mm (2.7-5.1 inches) rainfall in Brazil's top coffee state Minas Gerais from Nov.26- 30 Nov. in 2014.
There was no rainfall in the top coffee growing areas of southern Minas Gerais in the last two days as reported by government-linked forecaster Inmet.
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.

Export Scenario of Brazil:-
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. Washed Arabica significantly increased at 402553 against 175424 (60-kg bags) of last year during the same period of time as above mentioned. Brazil' s exports is also registered higher by 9.71% to 2627812 (60 kg-bags) in Sep 2012 as compared to 2395125 (60-kg bags) in last year during the corresponding period of time.

Below chart depicts total Brazil's Exports details in 2014 Vs 2013:-



Source: ICO

International Coffee Price Trend

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**21.11.2014**	**14.11.2014**	**21.9.2014**	**21.11.2013**
ICO Composite Indicator	162.44	164.68	154.14	--
Colombian Milds				
US	203.75	208.25	194.5	--
Europe	209.61	213.06	200.59	--
Group Indicator	206.45	210.46	197.3	--
Other Milds				
US	212.19	218.19	202.44	--
Europe	208.5	210.48	199.17	--
Group Indicator	209.9	213.41	200.41	--
Brazilian Naturals				
US	168.75	173.25	157.5	--
Europe	185.77	189.23	176.94	--
Group Indicator	181.34	185.08	171.88	--
Robusta				
US	107.25	107.67	102.75	--
Europe	102.82	102.34	96.17	--
Group Indicator	103.53	103.19	97.22	--

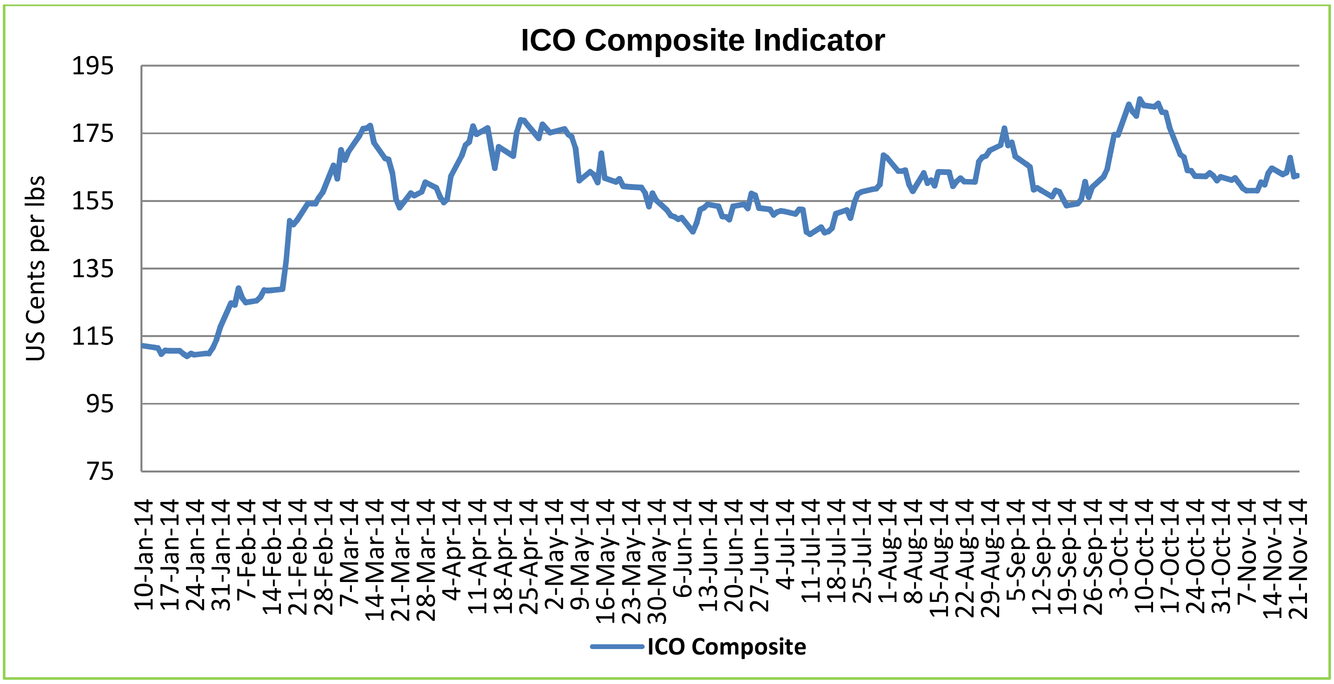
Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values in US cents/lb

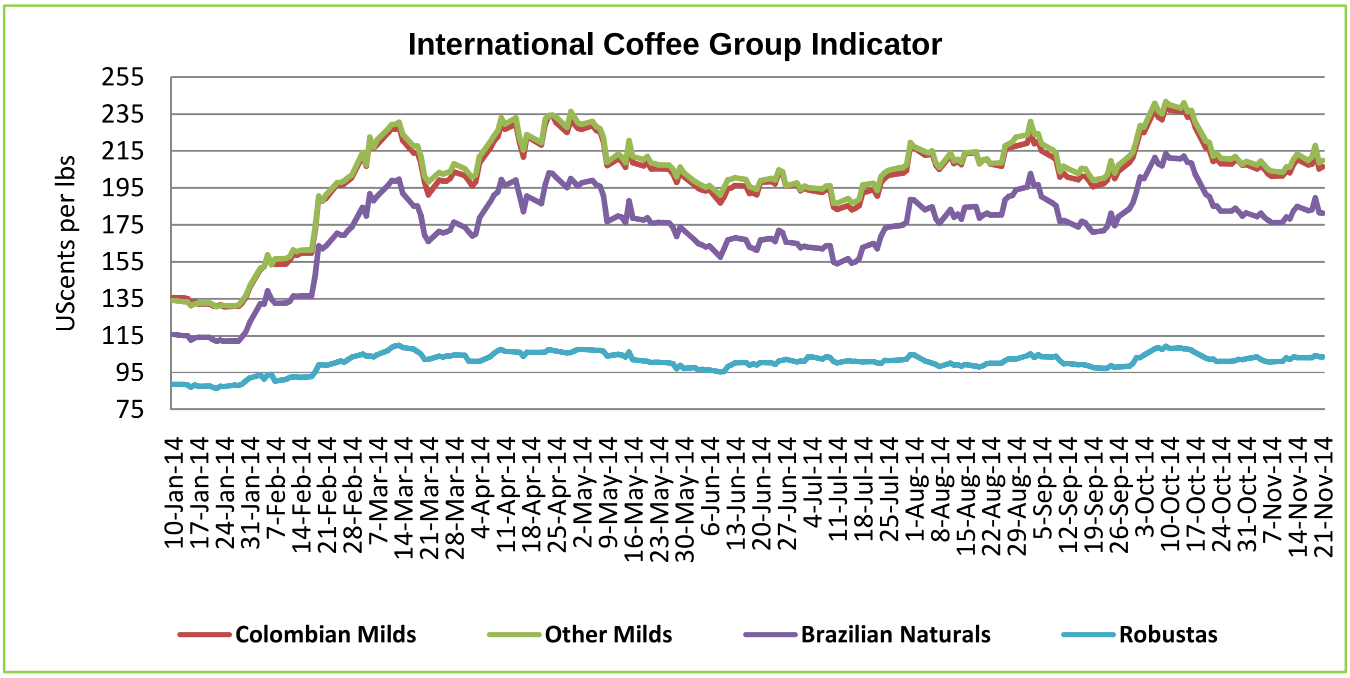
All ICO group indicators as Columbian-mild, Other-milds and Brazilian-Naturals and Robusta inched down to 206.45,209.9,181.34,103.53 respectively as compared to previous week prices. However, prices are higher than last month prevailing prices. Prices may go slight up in expectation of low rainfall in Brazil.

International Coffee Indicators Chart:-

ICO prices of all the indicators are quoting down in Nov. after making a highest record of the year in Oct month on the back of upward Brazil's coffee output estimate for 2014/15 as given recently by USDA. Prices are likely to move steady to upside in upcoming days in expectation of comparatively less shower in Brazil.

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





Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	**21-November-2014**	**Week ago (14 November,2014)**	**Month Ago (21 October,2014)**	**Weekly Change (%)**
December-2014	189.65	192.00	199.60	-1.22
March-2015	190.7	196.35	203.75	-2.88
May-2015	193.1	198.80	206.05	-2.87

USC/Ib

Liffe Robusta Coffee Futures Prices				
Contract Months	**21-November-2014**	**Week ago (14 November,2014)**	**Month Ago (21 October,2014)**	**Weekly Change (%)**
November-2014	2076	2074	2046	0.10
January-2015	2078	2074	2059	0.19
March-2014	2080	2077	2068	0.14

USD/T

International Coffee Prices

	21.11.2014	14.11.2014	21.10.2014	21.11.2013
Vietnam (Robusta Beans Spot) (Dong/Kg)	-	40150	39700	31700
Vietnam FOB (2-5 pct)* (Saigon port)	-	-	1975	-
Indonesian FOB (4-80 defects)** (Lampung Port)	2015	2035	2060	1710

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

Weekly Auction Prices Of Tanzania

Grade	Offered	Sold	Low	High	Average
Arabica AA	6229	6205	198.2	237.5	204.87
Arabica A	3273	3171	196.6	208.6	202
Arabica AB	2760	2178	201	225	212.25
Arabica B	1972	1865	196	206.2	198.21
Arabica PB	1612	1527	195.4	211	200.1
Arabica C	1199	1000	174.8	200	187.47

Units in $ per 50 kg bags

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

Weekly Technical Outlook:-

- Candlestick chart depicts slight lower trend of the market on selling pressures.
- Falling 14 days EMI hints further steady to weak tone of the market in upcoming days.
- Declining volume and prices indicates further bearish trend of the market.
- Relatively, RSI is also down at 51.97 compared to last week movement at 53.03 indicating further down trend in the next week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	180-205

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
171.55	179.97	189.65	206.48	212.38

US cents/Ib

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

Weekly Technical Outlook:-

- Candlestick chart shows minor gain in the market on buying pressures.
- 14- days EMI is moving upside at 2045 from 2040 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 a down wave shows first support level at 2043 @61.8% in the market and second support level at 1973@50%.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	2044-2117

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1973	2043	2076	2118	2162

USD/T