Highlights of The Week

Domestic coffee prices at auction market in Karnataka fetched continue upside on the back of good exporters demand. Domestic supplies may increase during upcoming week of Dec month in expectation of supportive weather condition for harvesting.

According to the Coffee Board of India, total provisional Indian exports including re-exports volume since 1st January to 24th Nov. 2014 dropped by 4.15% to 278795 tonnes comparing to 290888 tonnes of last year exports in the corresponding period. Indian Exports figure started to fall down after April month in 2014 followed by lower exports volume of both Robusta Cherry and Robusta Parchment due to higher 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 20% only supported by weather 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 against its earlier provisional estimates i.e. 3.11 MT.

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.

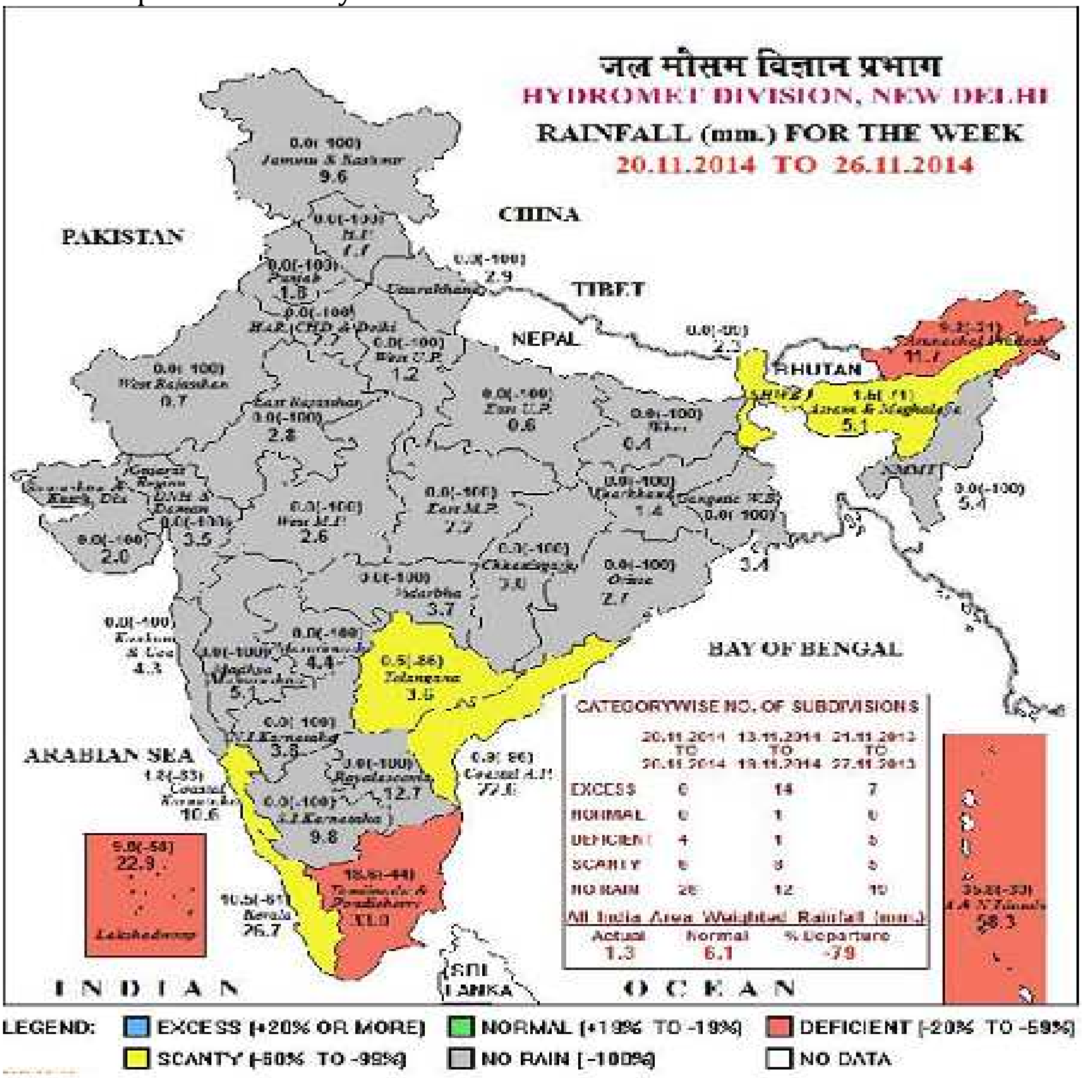
As per USDA, Colombian coffee production in 2014/15is revised up at 12.3 million bags of green bean equivalent (GBE) against Post's estimates of 11.9 million bags in May 2014.Total exports are revised with an increase to 11.3 million bags in 2014/15 from the May 2014 estimates of 11 million bags. On the other hand, Volcafe keeps its production forecast unchanged at 12 million bags in 2014/15 compare to its prior estimates.

As per 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 stated by Industry sources.

According to ICO, total coffee exports of the world is recorded minor up by 0.5 to 8.88 million bags in October-2014 against 8.83 million bags of last year exports during the same month including total Robusta's exports up by 6.8% to 3.32 million bags and total Arabica's exports with a decline by 3% to 5.56 million bags.

Weather Updates of India

Below Map shows weekly rainfall scenario of India:-



Source: IMD

- India has received total 73 mm actual cumulative seasonal rainfall of India (1st October to 19th Nov.2014) below 32% against 107.7mm of Normal rain. Main states of coffee belts like Kerala, Coastal Karnataka, South Interior Karnataka have received total cumulative actual season rainfall down by 31% to 304 mm,11% to 219 mm, 20% to 156 mm against 440 mm, 247mm,195mm of normal rain.
- An upper air cyclonic circulation laid over southwest Bay of Bengal off Sri Lanka coast extending up to 0.9 km above mean sea level on 21st, over Comorian area & neighbourhood extending up to 0.9km above mean sea level on 22nd, over Lakshadweep area & neighbourhood extending up to 0.9 km above mean sea level from 23rd to 26th.

Exports and Imports of India

According to recently released data by the Coffee Board of India, total coffee exports of India including re-exports volume is registered at 278795 metric tonnes with a decline of 4.15% in 2014 during 1st January-26th November against 290888 metric tonnes of last year exports in the corresponding period of time. Provisional Indian coffee exports excluding re-exports stood slight up by 0.08% to 230708 metric tonnes from 1st January- 26th November 2014 as compared to 230521 metric tonnes of previous year exports during the same period of time. India re-exports maximum Instant type of coffee which is recorded at 48087 metric tonnes in this year during 1st January-26th Nov.2014 down by 25.53% from preceding year i. e. 60367 metric tonnes. Total exports of Arabica parchment, Arabica cherry, Roasted seeds, R&G stood higher by 2.74% to 43785, 53.85% to 13796 metric tonnes, 37.83% to 51 metric tonnes, 56.39% to 269 metric tonnes respectively against last year exports volume in the same period of time. While, Robusta Parchment and Robusta cherry showed down exports volume by 18.91% to 21717 and 16.62% to 107180 metric tonnes in the corresponding period of time as above in 2014 compared to last year exports volume in the same period of time.

Below table shows total Indian coffee Exports details in 2014:-

Export update: From 01st January 2014 to 26th November 2014 (in metric tonnes)

S. No.	INDIAN COFFEE	Ar.Pmt	Ar.Chy	Rob.Pmt	Rob.Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian coffee)	43785	13796	21717	107180	51	269	43909	230708
2	Provisional exports corresponding period last year	42614	8967	26784	128549	37	172	23397	230521
3	Provisional re-exports	0	0	0	0	0	0	48087	48087
4	Provisional re-exports corresponding period last year	120	0	19	144	0	0	60084	60367
5	Total provisional exports (1+3)	**43785**	**13796**	**21717**	**107180**	**51**	**269**	**91996**	**278795**
6	Total provisional exports corresponding period last year (2+4)	**42734**	**8967**	**26784**	**128693**	**37**	**172**	**83481**	**290888**

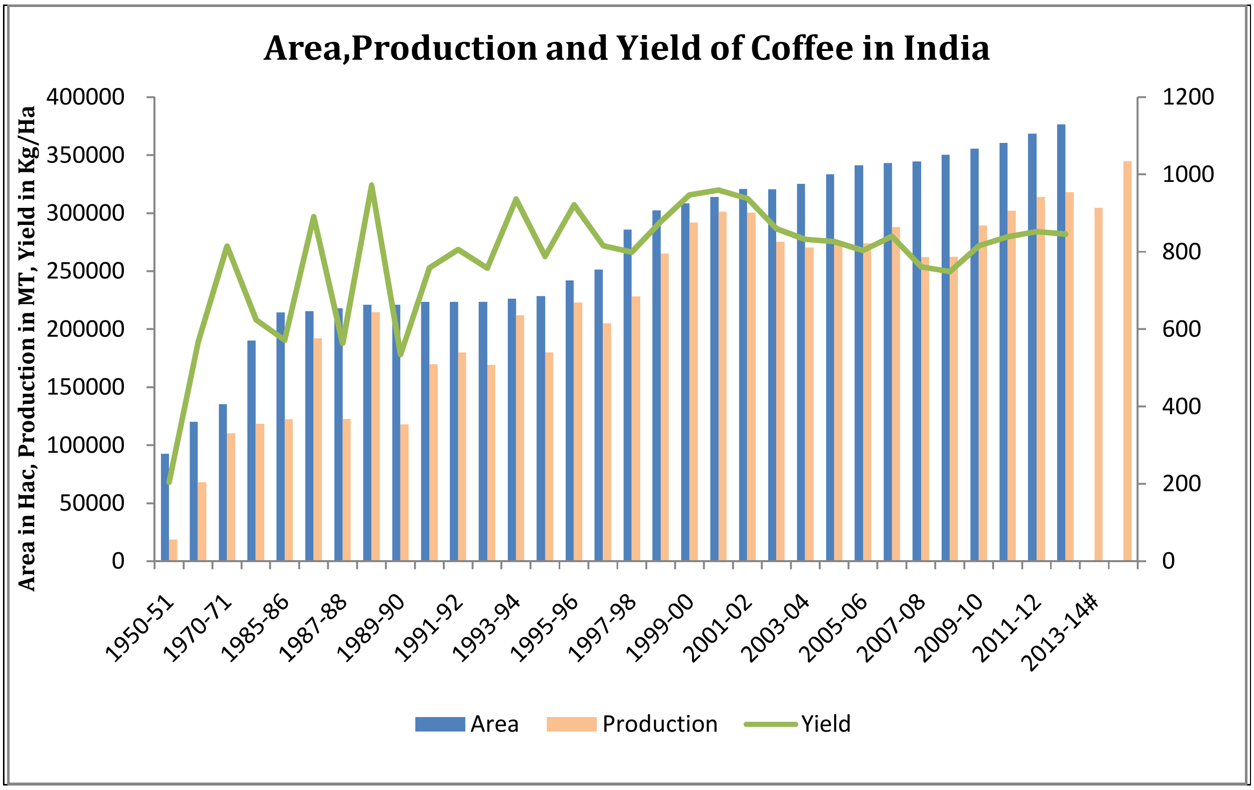
(2014* includes total exports from Jan 2014-August 2014) (Source-The Coffee Board of India)

Domestic Crops Condition and Production

Total yield of Robusta is recorded at 1097 kg/ha in 2012/13 continued higher since 2009/10 supported by good weather condition. Robusta's harvesting period starts normally from 1st week of Feb which is used for instant coffee and blends. Arabica's yield is significantly lower by 22.75% to 560 kg/ha as compared to 725 kg/ha in 1970/71 and 21.52% to 680.54 kg/ha of last 62 year average received Yield in India.

In 2014/15, total coffee production of India is predicted higher at 344,750 MT Vs 304,500 MT of last year estimate as per the Coffee Board of India. Where, Arabica production is forecast to produce higher coffee by 3.22% at 105,500 MT against previous year estimate of 102,200 MT and Robusta production is likely to add record 18.26% at 239,350 MT during this session as compare to last year estimate of 202,300 MT. The production of Robusta is continue increasing since 1990/91 on higher demand.

Below mentioned chart depicts total India coffee production since 1950-51 onward:-

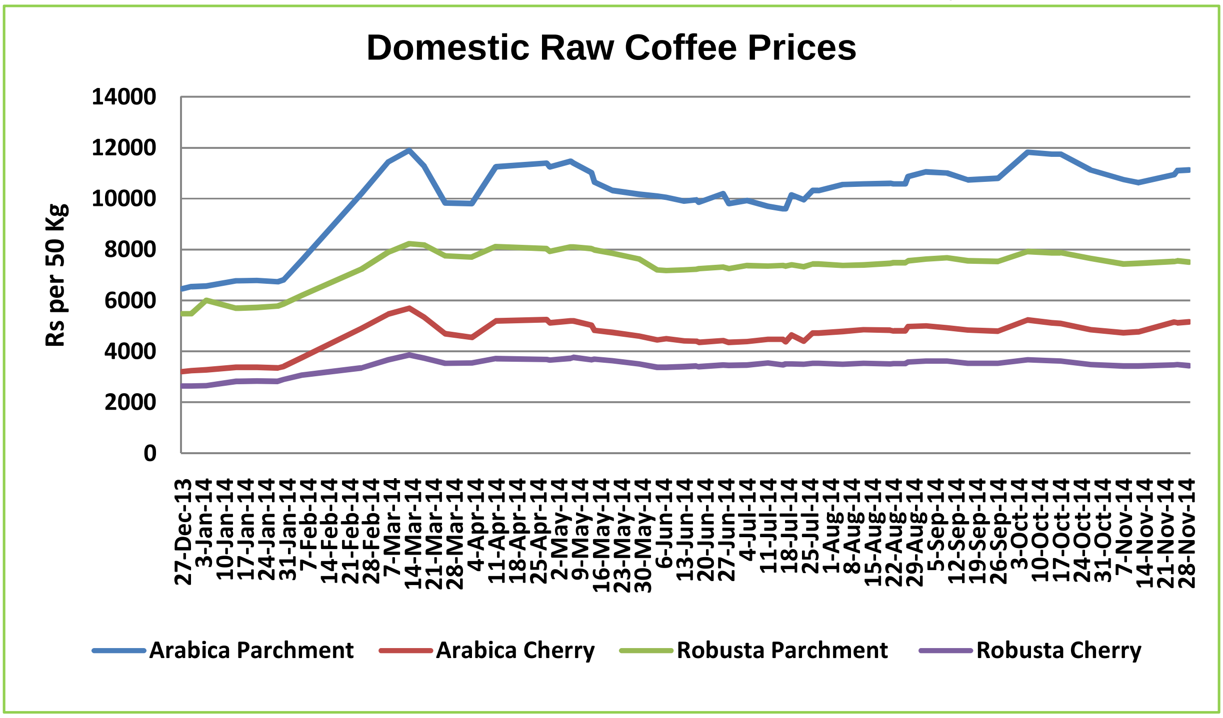


Source: The coffee Board of India (Quantity in MT)

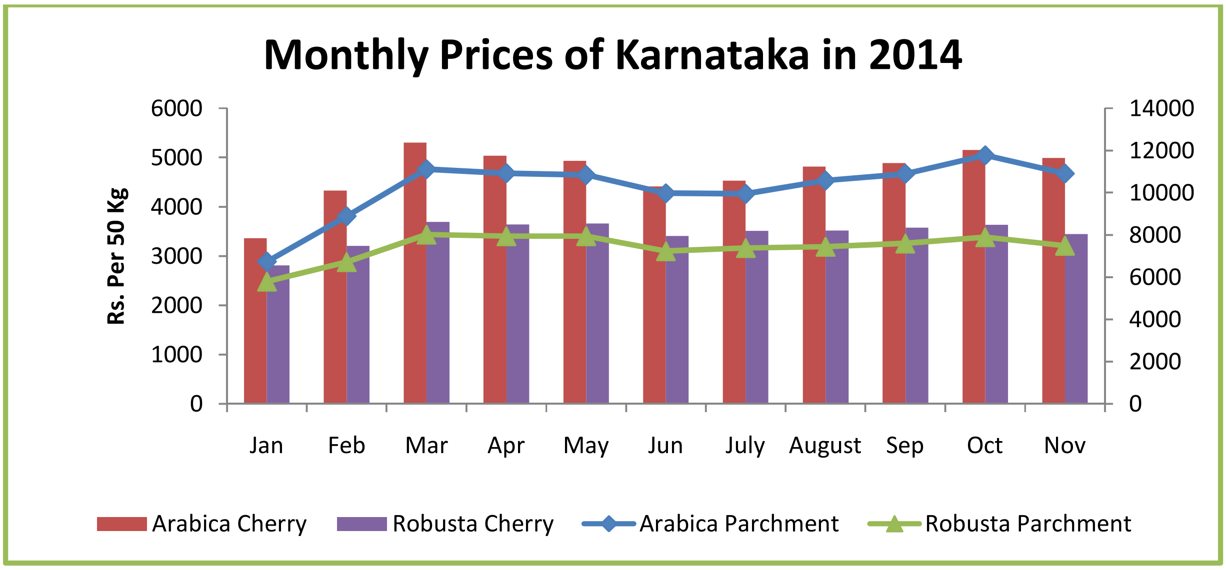
Coffee Prices of Auction Market & State-wise Market

All prices are moving upside as compared to last week prices on the back of fresh demand. Arabica Parchment is registered at 11125 Rs./50 kg in this week higher against last week prices i.e.10950 Rs./50 kg. due to fresh demand. However, average prices are lower if we compare on monthly basis followed by a significant decline in the prices of Arabica parchment, Arabica cherry, Robusta Parchment, Robusta cherry.

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



Source: The Coffee Board Of India



Source: The Coffee Board Of India

Domestic Raw Coffee Prices(Karnataka):

Variety	29.11.2014	21.11.2014	Change
Arabica Parchment	11100-11150	-	-
Arabica Cherry	5100-5225	-	-
Robusta Parchment	7400-7600	-	-
Robusta Cherry	3425-3450	-	-

*** Values in Rs per 50 Kg**

ICTA Auction Prices (Karnataka)

Grade	28.11.2014	20.11.2014	Change	28.11.2014	20.11.2014	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	--	271	-	--	--	-
AA	--	--	-	--	--	-
PB	--	--	-	--	--	-
A	--	--	-	--	--	-
AB	--	--	-	--	--	-
B	244.06	--	-	--	--	-
C	212.00	--	-	--	--	-
BBB	146.00	151	-5	130.00	134.5	-4.5
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	--	--	-	--	--	-
A	--	--	-	--	--	-
PB	--	189	-	--	145.8	-
AA	--	--	-	152.00	150.5	1.5
AB	--	--	-	--	--	-
B	--	--	-	--	--	-
C	--	--	-	--	138.5	-
BBB	--	--	-	130.00	131	-1

Values in Rs. per kg

International Market Updates:

Weekly Futures Review -ICE Arabica coffee future prices of December contract slumped on weaker oil and rainfall in Brazil. ICE prices declined by 1.58% to 186.65 US cents/Ib as on 1st Dec. 2014 compared to 189.65 US cents/Ib of last week prices. While, Liffe Coffee prices of Janury-15 contract pulled slightly down by 0.86% to 2096 USD/T during this week end against 2078 USD/T of previous week closing. As per exchange data, Certified Robusta coffee stocks held in ICE-nominated warehouses surged to 123,960 tonnes as of Nov. 24 as compare to 122,910 tonnes as of Nov. 10 in this year.

Brazil:- As per Inmet, around 3 centimeter (1.2 inches) of rain received in some of key growing areas in Brazil's main coffee belt over the past 24 hours. Further, Brazil may receive up to 10 centimeter (4 inches) of rain in next five days ahead.
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.

Vietnam:- According to USDA, total coffee production of Vietnam in 2014/15 marketing year may decline at 29.3 million 60- kg bags or 1.76 million metric tonnes of green coffee beans on the back of lower yield and production as destroyed in some Arabica growing areas. Further, they kept forecast of its coffee exports of green bean equivalent for 2014/15 marketing year at 26.6 million bags.
Vietnam prices quoted upside affected by higher international prices and a prediction of small crop size in Vietnam in 2014/15. As per traders, a third of coffee crop is harvested in Vietnam as on date supported by sunny weather condition. In Gia Lai province, one of the coffee area of Vietnam, farmers have finished about 40% of the coffee crop harvest and 50% in the entire region comprising five provinces added by traders.
According to Vietnam Custom data, total exports of Vietnam is recorded at 36,000 tonnes (600,000 bags)of coffee in the first half of Nov. 2014 which is unchanged as compare to last year record during the same period of time. Traders forecast total coffee exports of Vietnam in between 120,000 and 150,000 tonnes (2-2.5 million bags) of coffee this month against 95,800 as exported in October 2014. While, government of Vietnam pegged its forecast of Vietnam's exports at 95,000 tonnes or 1.58 million bags with a rise 18% in November month from the last year volume.

Others:-

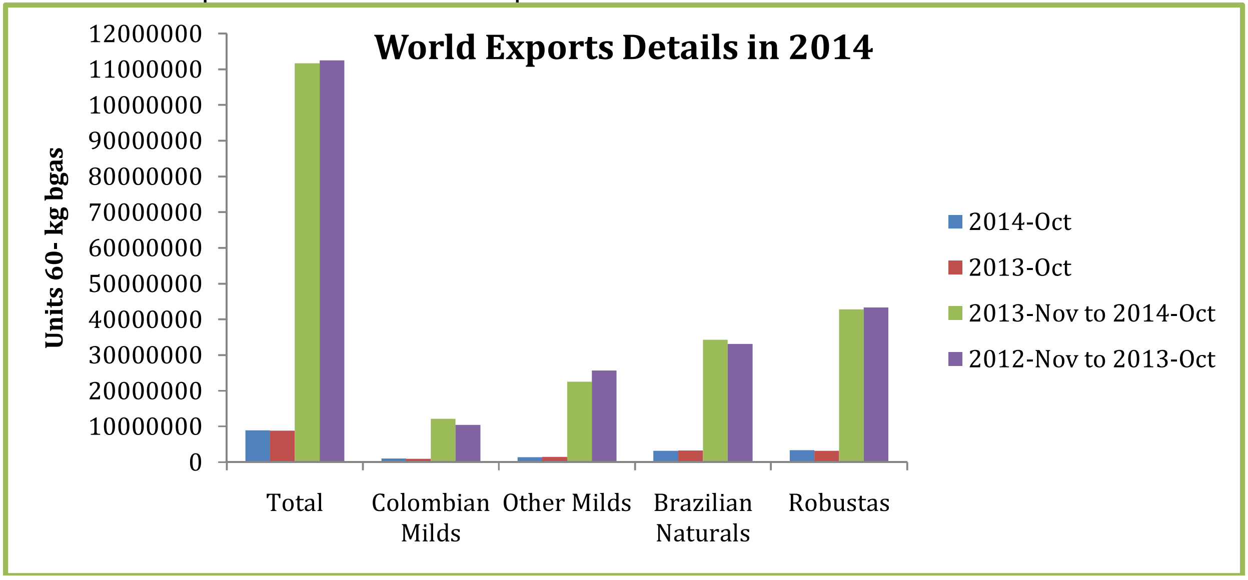
- As per Uganda Coffee Development Authority, total coffee exports of Uganda stood with an increase by 9% to 229,438- kg bags against same period of time of last year supported by good demand due to its better quality. For the same quantity Uganda received total revenue in dollar at $30.7 million in October-2014 higher from dollar 22.7 million of previous year revenue in the corresponding period of time.

Coffee Estimates of the World

World Export Scenario:-

Total exports during Nov-2013 to Oct-2014 is reported down by 0.64% to 111758273 60-kg bags compared to previous year records i.e. 112484560 60-kg bags during the same period of time supported by lower demand of Other-milds and Robustas which stood down by 11.98% to 12126941 60 kg-bags and 1.1% to 42835825 60-kg bags respectively.

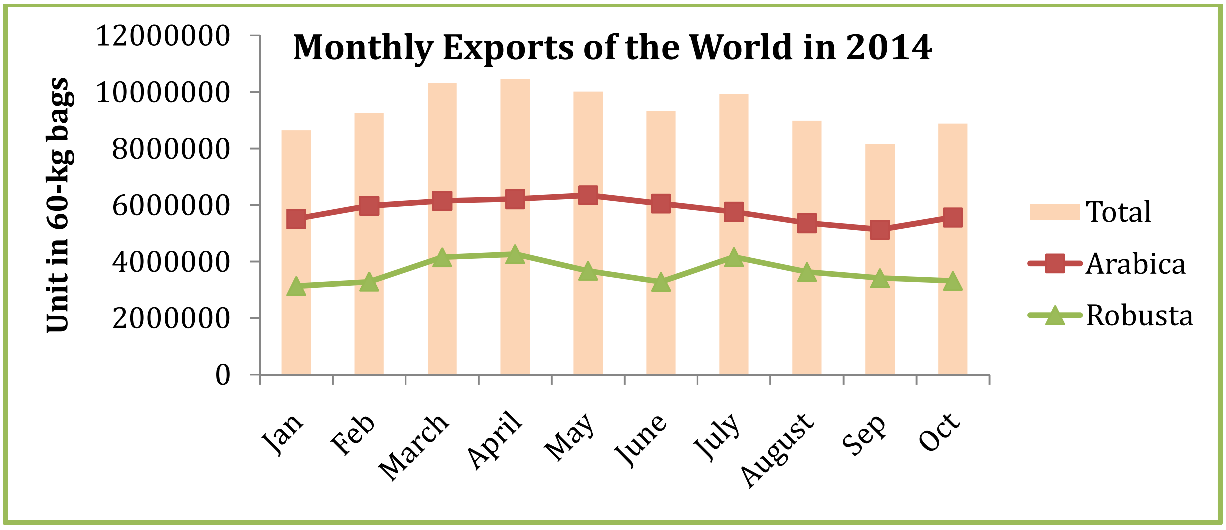
Below chart depicts form-wise total exports of the world in 2014:-



Source: ICO

As per recently released data of ICO, total monthly exports of Oct-2014 is registered at 8880079 (60-kg bags) higher by 8.96% from 8149656 (60-kg bags) in Sep-2014 supported by rising demand of Arabica, which stood significantly up by 8.42% to 5563967 (60-kg bags) against 3316112 (60-kg bags) of previous month exports. While, Robusta's exports in Oct month is notified down by 2.81 to 3316112 (60-kg bags) against Sep month exports i.e. 3412038 (60-kg bags) due to higher prices with a combination of low availability.

Below charts shows monthly exports of the world in 2014:-



Source: ICO

International Coffee Price Trend

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**28.11.2014**	**21.11.2014**	**28.10.2014**	**28.11.2013**
ICO Composite Indicator	160.17	162.44	163.31	--
Colombian Milds				
US	--	203.75	207.25	--
Europe	205.5	209.61	213.05	--
Group Indicator	202.87	206.45	209.92	--
Other Milds				
US	--	212.19	213.44	--
Europe	204.36	208.5	211.1	--
Group Indicator	205.85	209.9	211.99	--
Brazilian Naturals				
US	--	168.75	169.25	--
Europe	182.32	185.77	189.11	--
Group Indicator	178.25	181.34	183.94	--
Robusta				
US	--	107.25	106.75	--
Europe	102.79	102.82	100.44	--
Group Indicator	103.47	103.53	101.45	--

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

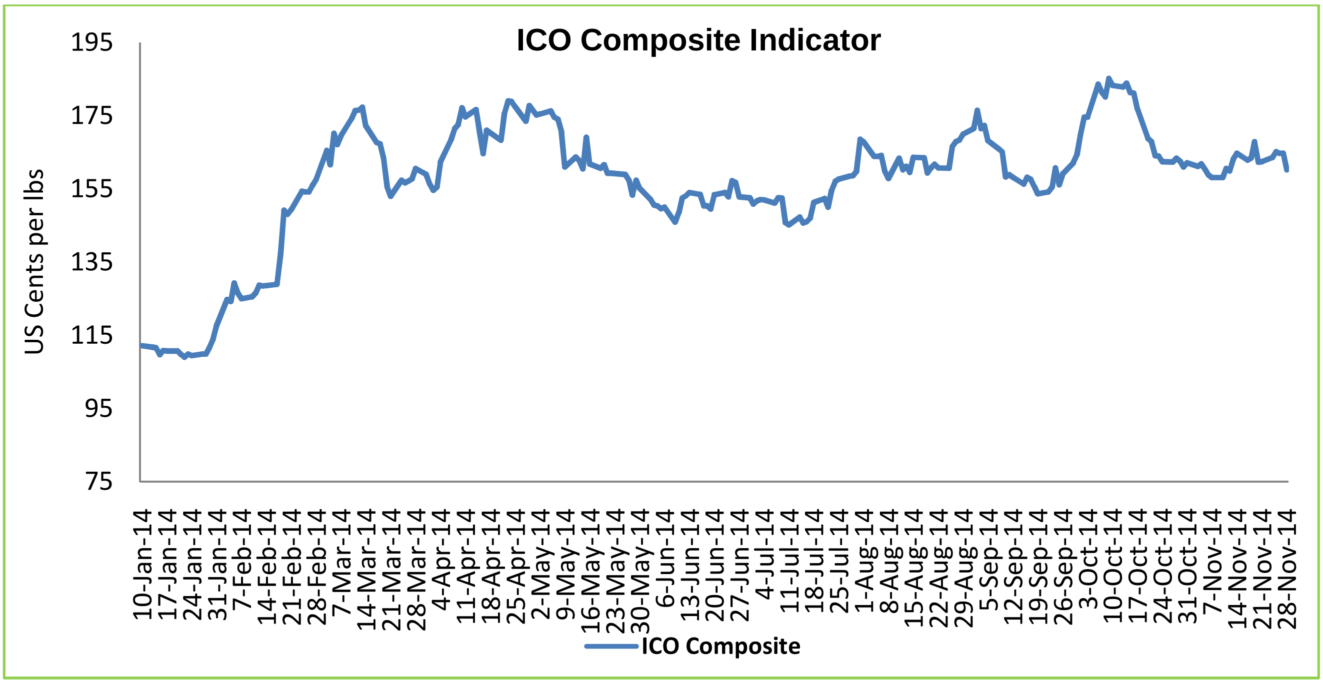
All ICO group indicators as Columbian-mild, Other-milds and Brazilian-Naturals and Robusta inched down to 202.87,205.85,178.25,103.47respectively as compared to previous week prices. However, prices are higher than last month prevailing prices. Prices may move steady to weak zone in forecast of normal rainfall in Brazil. However, prices may decline in long term on the forecast of lower crop size of the world.

International Coffee Indicators Chart:-

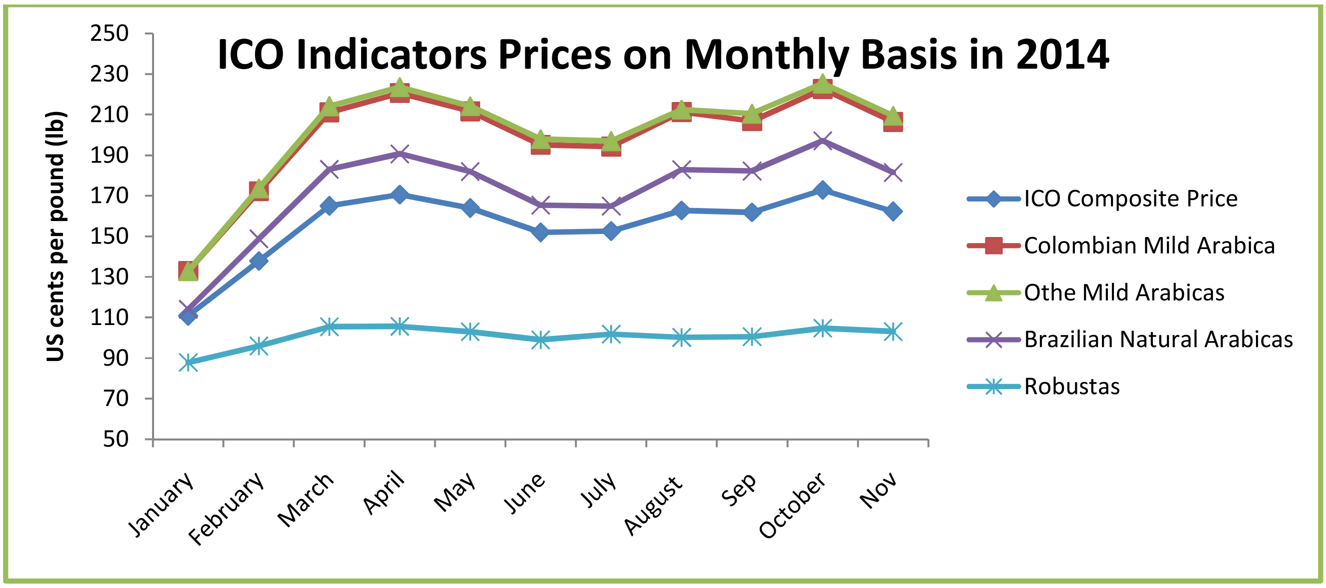
The prices of ICO composite indicators is showing a declining phase of the market during this week. ICO prices of all the indicators are quoting down in Nov. month after making a highest record of the year in Oct month on the back of upward Brazil's coffee output estimate for 2014/15 as given recently by USDA.

Prices are likely to move steady to downside in upcoming days due to an increase in supplies and a forecast of normal rainfall in Brazil.

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



Source: ICO



Source:ICO

International- Future Market Prices:-

USC/Ib

ICE Arabica Coffee Futures Prices				
Contract Months	**28-Nov-14**	**Week ago (21-November,2014)**	**Month Ago (28 October,2014)**	**Weekly Change (%)**
Dec-14	186.65	189.65	192.35	**-1.58**
Mar-15	187.45	190.70	196.65	**-1.70**
May-15	189.90	193.10	199.00	**-1.66**

Liffe Robusta Coffee Futures Prices				
Contract Months	**28-Nov-14**	**Week ago (21-November,2014)**	**Month Ago (28 October,2014)**	**Weekly Change (%)**
Jan-15	2096	2078	2024	**0.87**
Mar-14	2094	2080	2031	**0.67**
May-14	2105	2093	2045	**0.57**

USD/T

International Coffee Prices

	28.11.2014	**21.11.2014**	**28.10.2014**	**28.11.2013**
Vietnam (Robusta Beans Spot) (Dong/Kg)	41350	-	39350	37700
Vietnam FOB (2-5 pct)* (Saigon port)	2010	-	1929.5	1581
Indonesian FOB (4-80 defects)** (Lampung Port)	2060	2015	1960	1690

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

Weekly Auction Prices Of Kenya

Grade	This sale ($) As on 25/11/2014	Average Price($)	Previous Sale($) As on 18/11/2014
AA	226-332	290.27	236-336
AB	197-277	255.6	140-278
C	143-251	236.1	103-250
PB	198-273	251.33	106-276
T	80-219	165.77	78-216
TT	185-153	227.82	80-248

Units in $ per 50 kg bags

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

Weekly Technical Outlook:-

- Candlestick chart depicts declining phase of the market.
- Slight low 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 50.59 compared to last week movement at 51.97 indicating further down trend in the next week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	182-199

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
174.53	181.64	186.65	200.68	206.85

US cents/Ib

COFFEE WEEKLY RESEARCH REPORT
1st Dec,2014

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

Weekly Technical Outlook:-

- Candlestick chart shows gap opening with thin trading activities.
- 14-days EMI is moving upside at 2052 from 2045 of last week record indicating further bullish trend in the market.
- On the other hand, falling Volume and rising prices hints short build up in the market.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	2038-2145

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1999	2037	2096	2149	2184

USD/T