Highlights of The Week

Domestic coffee prices at auction market in Karnataka surged after rising domestic demand. Currently, foreigner are not much active in the market while domestic buyers are weighing in the market

In the opinion of Indian Traders, about 32 to 40% total coffee crop harvesting has been done in India as of now. Harvesting in some parts of Karnataka is likely to complete in 10 days ahead. However, cloudy weather condition is remain interrupting harvesting pace of India. Traders are placing Arabica crop size at 80,000 MT and Robusta crop size approx.190,000 MT for 2014/15 season. While the Coffee Board of India keeps its estimates of total Indian coffee crop size at 331,000 MT following Arabica crop size at 99,600 MT and Robusta at 231,400 MT declining by 5900 MT (5.59%) and 7850 MT(3.28%) from its post blossom estimate as given earlier.

According to recently released data by the Coffee Board of India, total coffee exports of India including re-exports decreased at 6610 metric tonnes with a significant decline of 23.11% in 2015 during 1st January 2015 to 14th January 2015 against 8597 metric tonnes of last year exports in the corresponding period of time.

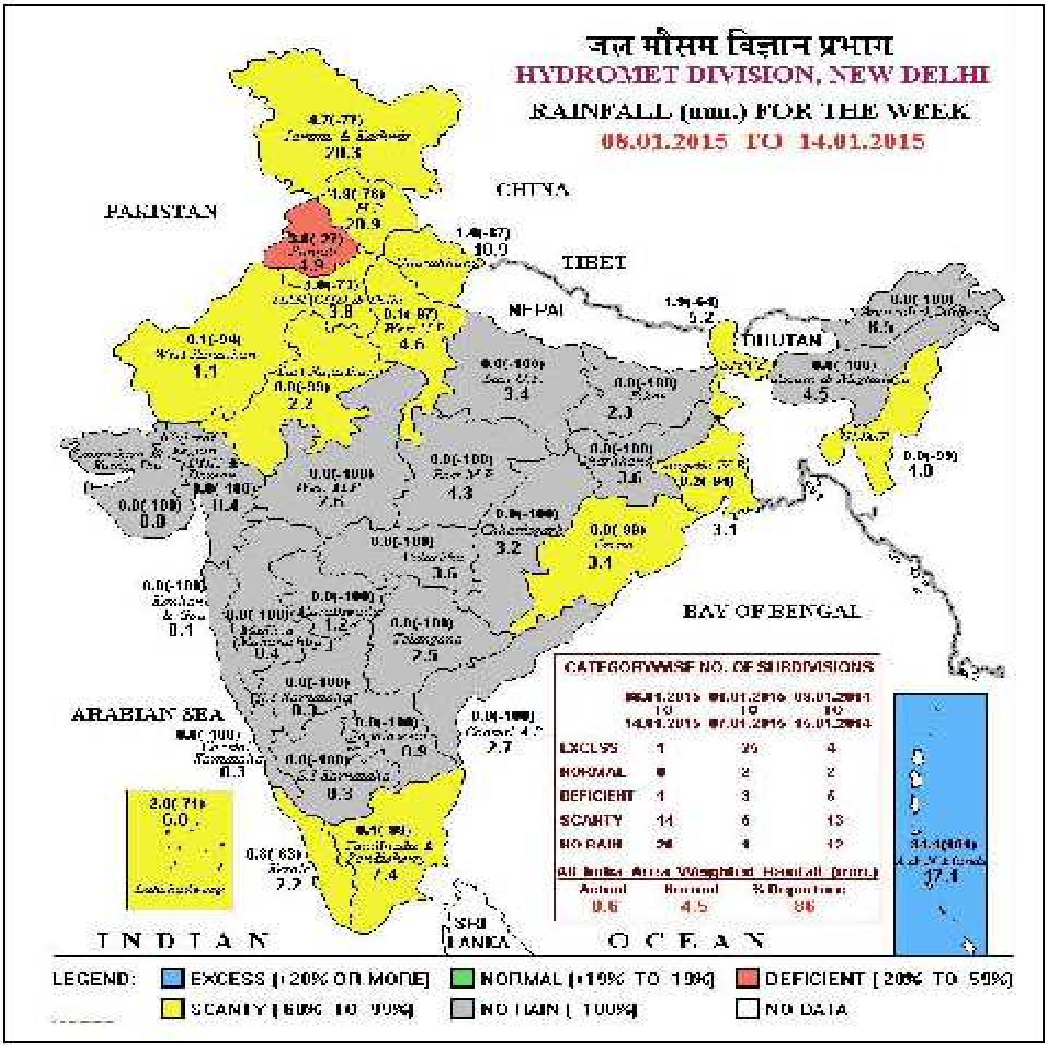
As per DGCIS report, India has received total coffee exports revenue around Rs. 330.84 crore which is in USD 52.72 million in Dec. 2014 higher by 4.08% in Rs. and 15.13% in USD respectively against Rs. 283.47 crore and USD 45.79 million respectively in previous year during the same month. It stood at Rs.3450.86 crore and the value in USD at 569.2 million since April-Dec. in 2014 up by 4.08 in Rs. and 1.97% when the value is counting in USD against last year revenue i.e. Rs.3315.63 crore and in USD 558.23 million in corresponding period of time.

According to Exporter Association Cecafe, total exports of Brazil in 2014 is registered up by 17% to 32.86 million bags compared to 28.08 million bags in 2013. However, Brazil exported 2.83 million bags of green coffee in December-14 lower against 2.94 million bags in November but increased from 2.66 million bags in December 2013. On the other hand, Brazil's government unchanged total coffee crop forecast at between 44.1 million and 46.6 million bags in 2015 which is same crop size as 45.3 million bags in 2014 followed by Arabica output which is predicted in between 32.5 million bags and 34.4 million bags against 32.3 million bags in 2014 and Robusta output may come down to between 11.6 million and 12.2 million bags from 13.0 million bags in 2014 due to drought and cold weather in Espirito Santo state.

As per sources, about 38,138 tonnes of coffee crop have been harvested by farmers in Tanzania of this season which is significantly lower than 61,000 tones as targeted by The Tanzania Coffee Board because farmers could not use fertilisers for the fear that chemicals may harm their farms. Secondly, farmer are exporting the crop by 'Panya' routes which is not beneficial to the government. Farmers are selling their crop at between 3,500/- and 4,500/- depending on the grade. Tanzania's government expects crop size at 41,000 tonnes at the end of this season (2014/15).

Weather Updates of India

Below Map shows weekly rainfall scenario of India:-

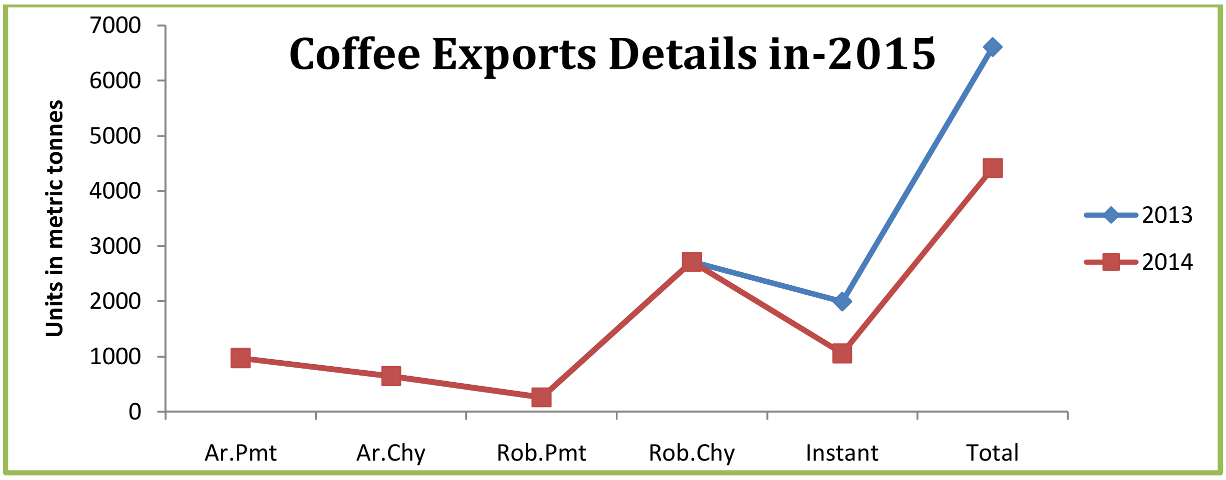


Source: IMD

- India received total 10.1 mm actual cumulative seasonal rainfall of India (1st January 2014 to 14th January-2015) access 32 % against 7.7 mm of Normal rain.
- Dense/very fog occurred over Punjab Haryana Chandigarh & Delhi , Uttar Pradesh , North Rajasthan on most days and over Madhya Pradesh on many days during the week . It also occurred over Jammu & Kashmir from 10th to 12th, over Himachal Pradesh on 9th & 14th , over Uttarakhand on 8th over Bihar from 11th to 14th, over Assam, Manipur & Tripura on 11th & 12th over north Chhattisgarh on 9th, over Saurashtra & Kutch and South Interior Karnataka on 14th.

Exports and Imports of India

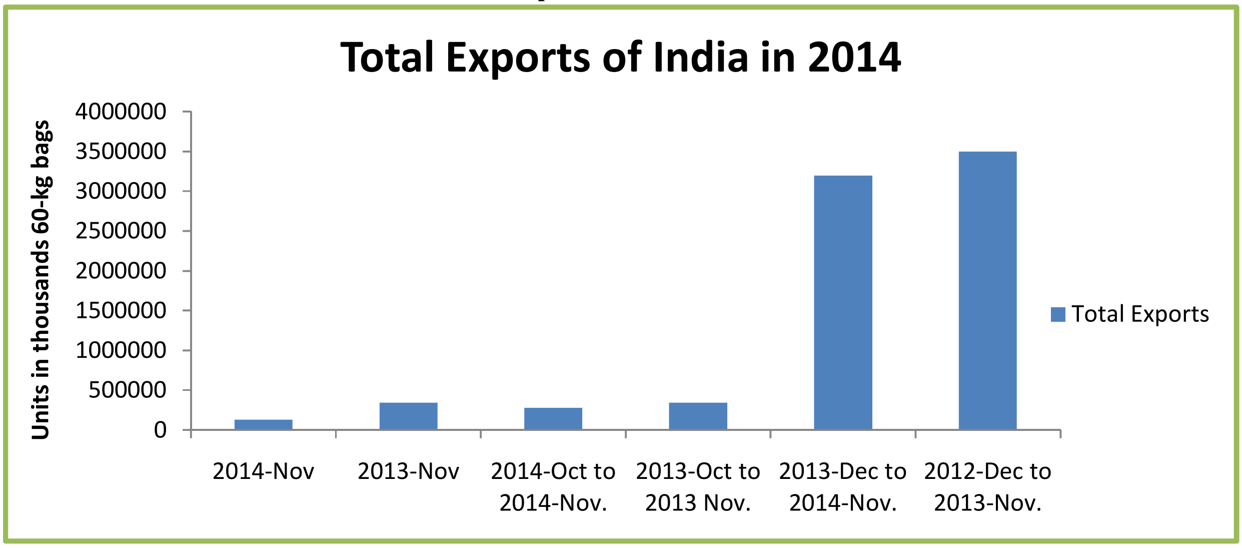
Provisional Indian green coffee exports stood low by 33.73% to 5388 metric tonnes from 1st January 2015- 14th January 2015 as compared to 8131 metric tonnes of previous year exports during the same period of time. India re-exports maximum Instant type of coffee which is recorded at 1217 metric tonnes in this year during 1st January 2015 to 14th January 2015 significantly higher from preceding year re-exports volume i. e.466 metric tonnes. Total provisional exports of Arabica parchment, Arabica cherry, Robusta Parchment, Robusta Cherry and R&G is placed down by 59.35% to 975, 1.52% to 647 metric tonnes, 52.87% to 262 metric tonnes, 17.02% to 2719 metric tonnes, 66.66% to 8 metric tonnes respectively against last year exports volume in the same period of time.



Source: The Coffee Board of India

According to ICO, last eleven month exports of India stood down by 8.65% to 3.19 million bags during 2013-Dec to 2014-Nov. from 3.49 million bags in previous year during the same period of time on declining demand.

Below table shows total Indian coffee Exports details in Dec. month 2014 Vs 2013:-



Source: ICO

Domestic Crops Condition and Production

According to recently released data by the Coffee board of India, the post monsoon estimate for Indian coffee crop is kept down at 331,000 MT lower from its previous post blossom crop forecast due to adverse weather condition in 2014.

Below chart shows revised Post Monsoon Estimation of Indian Coffee Crop Size for 2014/15:-

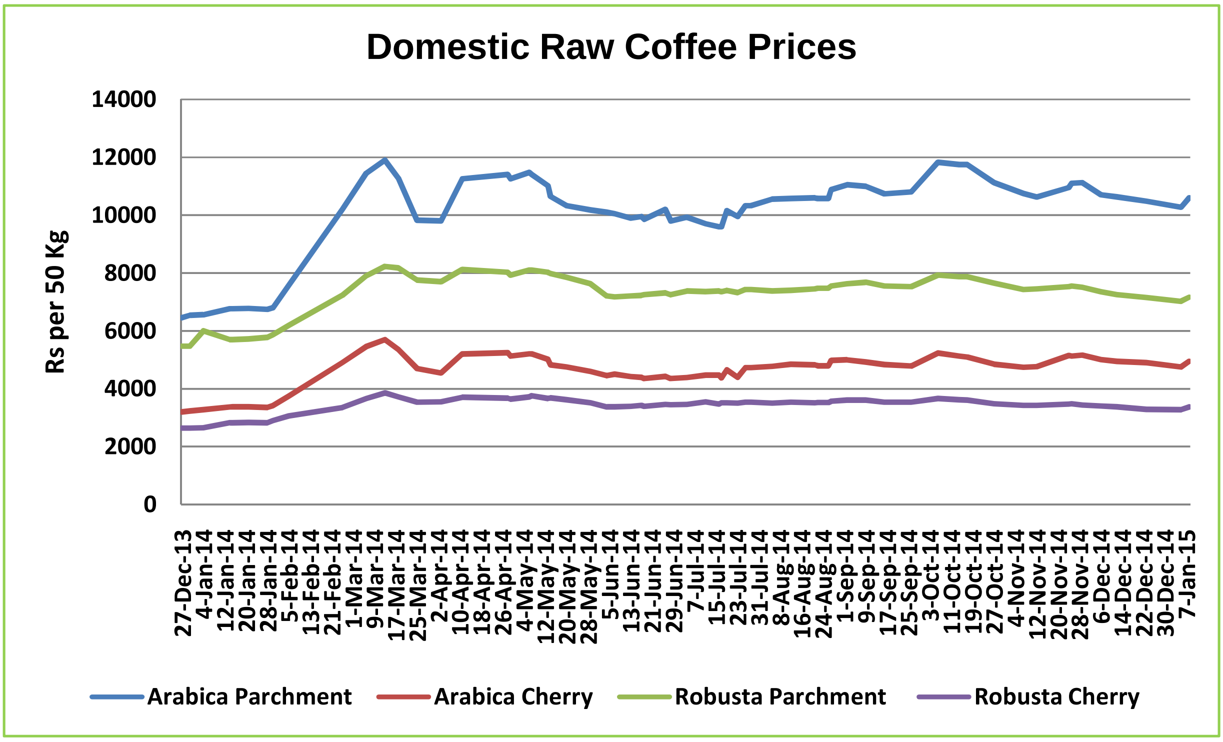
State/District	Post Monsoon Estimation 2014-15			Final Estimate 2013-14		
	Arabica	Robusta	Total	Arabica	Robusta	Total
Karnataka						
Chikmagalur	38,300	41,335	**79,635**	38,250	30,640	**68,890**
Kodagu	18,855	104,800	**123,655**	21,040	90,820	**111,860**
Hassan	18,850	14,200	**33,050**	19,150	11,200	**30,350**
Sub total	**76,005**	**160,335**	**236,340**	**78,440**	**132,660**	**211,100**
Kerala						
Wayanad	0	57,150	**57,150**	0	56,425	**56,425**
Travancore	900	7,400	**8,300**	900	6,700	**7,600**
Nelliampathies	1,175	1,600	**2,775**	1,100	1,550	**2,650**
Sub total	**2,075**	**66,150**	**68,225**	**2,000**	**64,675**	**66,675**
Tamil Nadu						
Pulneys	7,500	375	**7,875**	6,975	325	**7,300**
Nilgiris	1,550	3,850	**5,400**	1,800	3,950	**5,750**
Shevroys (Salem)	3,400	50	**3,450**	3,875	50	**3,925**
Anamalais (Coimbatore)	900	500	**1,400**	1,300	500	**1,800**
Sub total	**13,350**	**4,775**	**18,125**	**13,950**	**4,825**	**18,775**
Non Traditional Area						
Andhra Pradesh	7,490	60	**7,550**	7,250	70	**7,320**
Orissa	550	0	**550**	440	0	**440**
Sub Total	**8,040**	**60**	**8,100**	**7,690**	**70**	**7,760**
North Eastern Region	130	80	**210**	120	70	**190**
Grand Total (India)	**99,600**	**231,400**	**331,000**	**102,200**	**202,300**	**304,500**

The Coffee Board of India

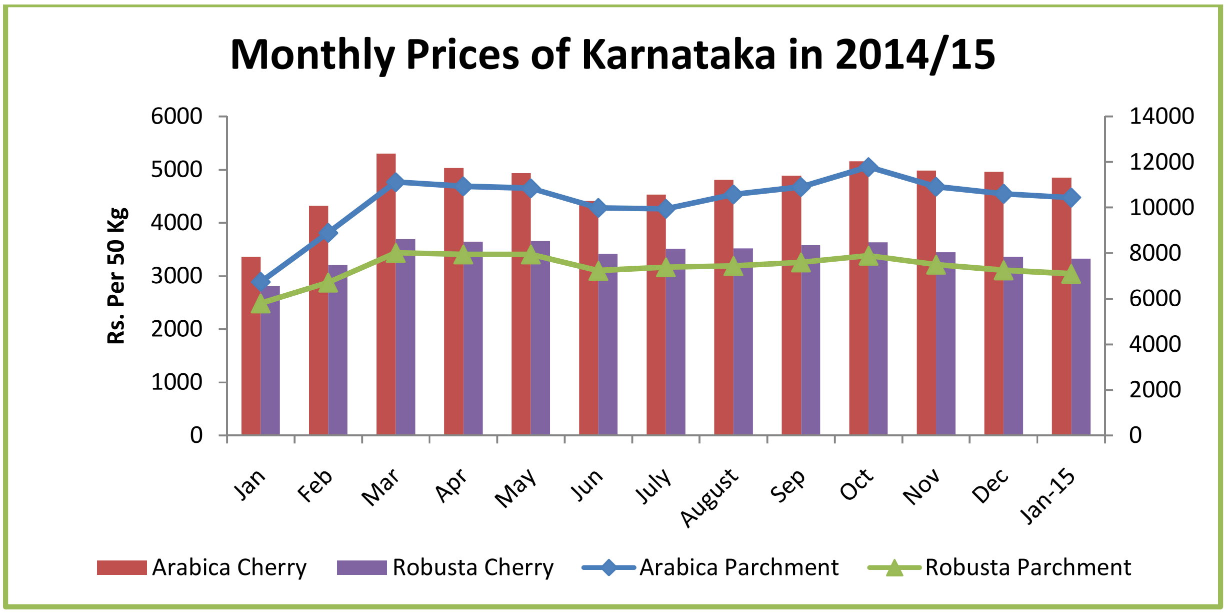
Coffee Prices of Auction Market & State-wise Market

Daily coffee prices increased on improved demand and supply. Arabica Parchment is registered at 10600 Rs./50 kg in this week down from last week prices i.e.10275 Rs./50 kg. However, monthly average prices are remain low 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	15.1.2015	8.1.2015	Change
Arabica Parchment	--	10500-10700	--
Arabica Cherry	--	4800-5100	--
Robusta Parchment	--	7025-7300	--
Robusta Cherry	--	3300-3450	--

*** Values in Rs per 50 Kg**

ICTA Auction Prices (Karnataka)

Grade	15.1.2015	8.1.2015	Change	15.1.2015	8.1.2015	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	--	--	--	--	--	--
AA	--	--	--	--	210.00	--
PB	--	--	--	--	190.00	--
A	--	--	--	--	--	--
AB	--	--	--	--	180.00	--
B	--	--	--	--	--	--
C	--	202.00	--	--	149.00	--
BBB	--	141.50	--	--	136.50	--
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	--	--	142.00	--
A	--	--	--	--	--	--
PB	--	177.00	--	--	--	--
AA	--	--	--	--	--	--
AB	--	--	--	--	138.50	--
B	--	--	--	--	--	--
C	--	--	--	--	--	--
BBB	--	130.00	--	--	--	--

Values in Rs. per kg

International Market Updates:

Weekly Futures Review -
ICE Arabica coffee future prices of March contract slip on a forecast calling for rain in Brazil's coffee belt next week. On the other hand, stronger dollar is also playing a major role to decline coffee prices. ICE prices went down by 5% to171 US cents/Ib as on 16th Jan. 2015 compared to 180.05 US cents/Ib of last week prices. As per the Green Coffee Association, U.S. green coffee stocks stood down by 169,190 bags to 5,524,964 60-kg bags by the end of December as compared to the last month stocks following total stocks at New York i.e. 1,546,836 60 kg bags. Further, Initial margin for hedgers at ICE future is lowered by 27.3% to $4000 per contract from $ 5,500. On the other hand, Speculators increased their net long positions in Arabica coffee by 24,117 lots on ICE futures U.S. in the week ended Jan.13,2015 after six week high prices as showed by U.S. Commodity Futures Trading Commission.

Brazil:- As per the Reuters Dashboard, Southeastern Brazil is likely to receive about half of the normal amount of rainfall for this time of year by Jan.27,2014. An atmospheric blockage is preventing cold air from advancing, resulting in limited, scattered showers in what should be the region's rainiest month of the year. The blockage has extended to the center-west soy belt, which had average rainfall in December. The blockage should break around Jan. 22, possibly brining between 30 and 70 mm of rainfall to the centre-west and southeast between Jan.22 and 26 as said by Somar meteorologists. On the Other hand, Southern Minas one of the top coffee producing region of Brazil may get 20% less coffee in 2015 against 2014 as per Cocatrel Cooperative.
As per Safras & Mercado, about 72% coffee crop of 2014 in Brazil is sold out as of Jan.9, 2015 which is 63% more than last year selling record as farmers had sold 71% of Rubusta crop and 72.1% Arabica crop. They projects total output in Brazil at 48.9 million bags for 2014 which explains 35.1 million bags had been sold by Jan.9,2014.

Vietnam:- :- As per Vietnam Customs, Vietnam's exports is recorded at 115,400 tonnes (1.92 million 60-kg bags) of coffee in December 2014 up 37.3% from a month earlier. However it is lower than the forecast of traders and government. Vietnam exported 295,200 tonnes with an increase of 7% during October 2014-December 2014 against previous year during the same period of time.

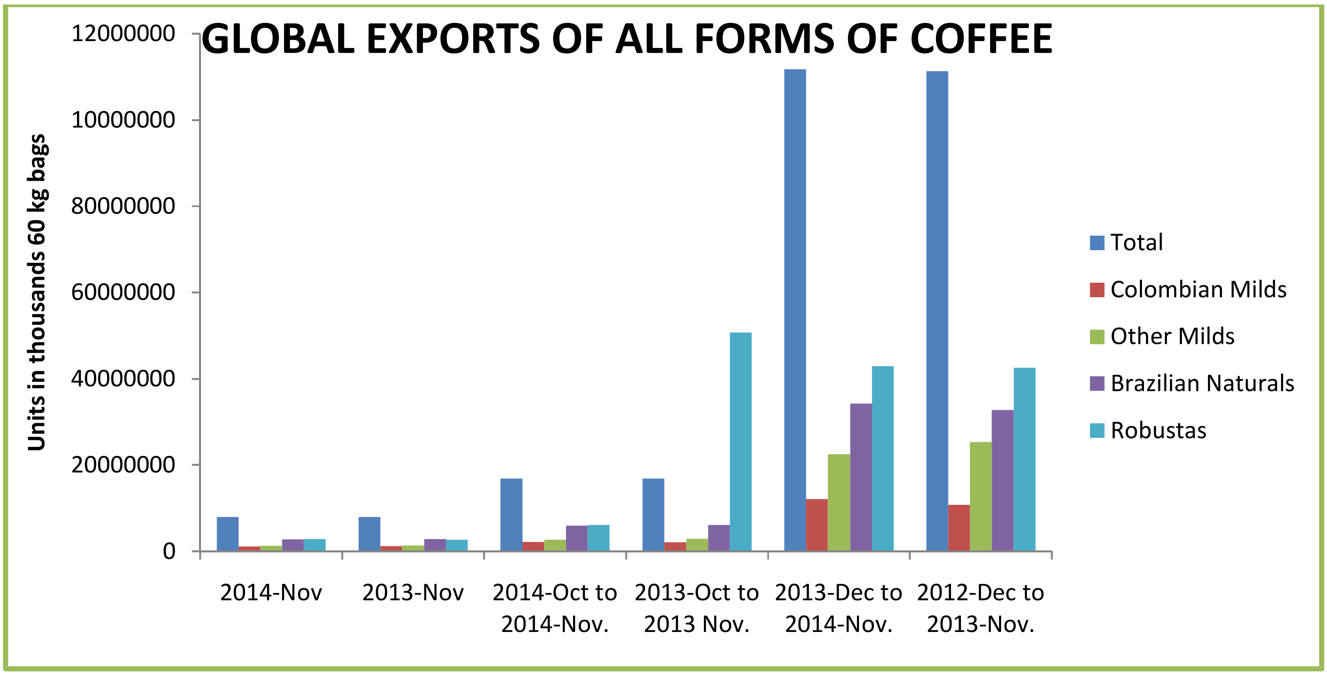
Others:-
- As per national coffee association Anacafe, monthly exports of Central America's second-biggest producer, Guatemala went down 24.7% to 93191 60-kg bags in December 2014 against 123,772 bags during the same period of time in 2013. Total coffee exports decreased by 27% to 202,785 60-kg bags during the first three months of the current season in 2014/15 from previous year in the same period of time.
- Total coffee production of Mexico is likely to decline by 18% in between 3.2 and 3.4 million 60-kg bags in 2014/15 from 3.9 million a year ago production.

Coffee Estimates of the World

As per ICO, total world coffee exports amounted down by 0.55% to 7.92 million bags in Nov. 2014 against 7.97 million bags of Nov. 2013.While, total exports in last eleven month(Dec-2013 to Nov-2014) increased by 0.41% to 111.78 million bags compared to 111.31 million bags in previous year during the same period of time after higher contribution of Colombia mild and Brazilian Naturals and Robustas which stood up by 12.55% to 12.09 million bags,4.65% to 34.26 and 0.89% to 42.93 million bags respectively against previous year exports in the corresponding period of time.

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

	2014-Nov	2013-Nov	2014-Oct to 2014-Nov.	2013-Oct to 2013 Nov.	2013-Dec to 2014-Nov.	2012-Dec to 2013-Nov.	Monthly % change	Yearly % change
Total	7928992	7973152	16821716	16808637	111782478	111318385	-0.55	0.42
Colombian Milds	1101880	1132710	2158850	2095735	12096118	10756373	-2.72	12.46
Other Milds	1264770	1393143	2673379	2910113	22490553	25273422	-9.21	-11.01
Brazilian Naturals	2751525	2786062	5926186	6036266	34261254	32736162	-1.24	4.66
Robustas	2810817	2661237	6063301	50766523	42934553	42552429	5.62	0.90



Source: ICO

International Coffee Price Trend

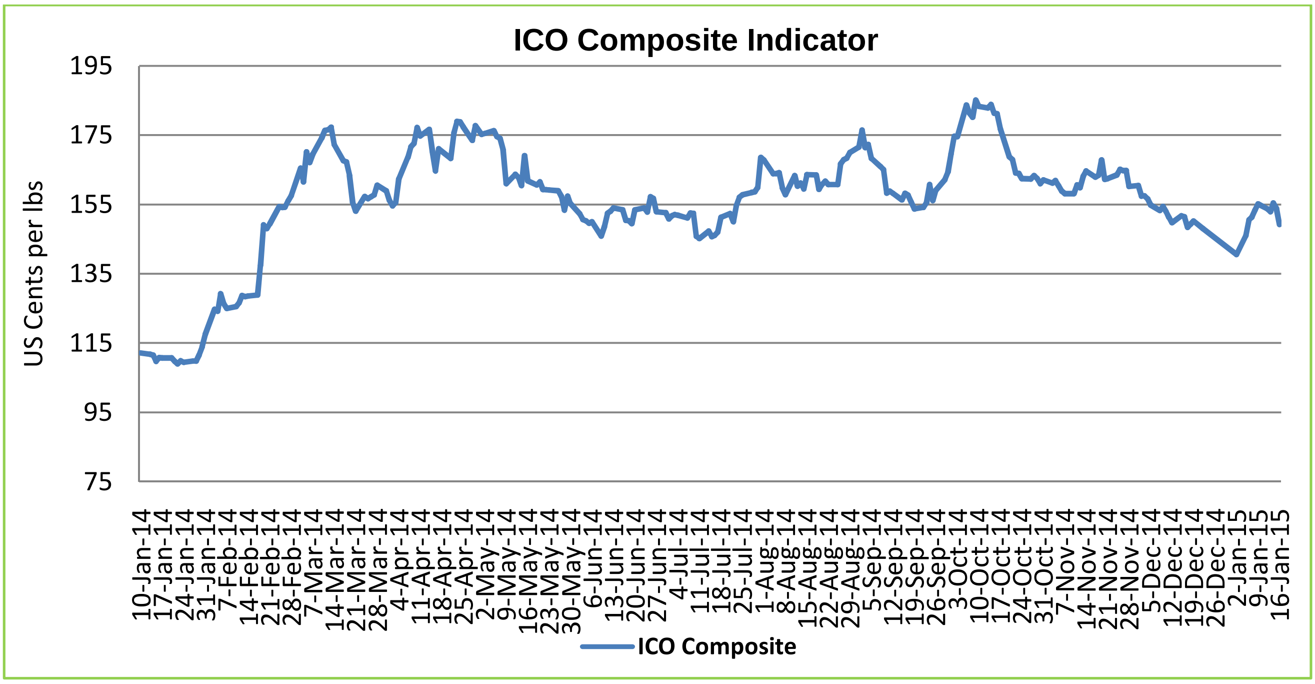
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**16.1.2015**	**9.1.2015**	**16.12.2014**	**16.1.2014**
ICO Composite Indicator	149.18	155.09	149.74	--
Colombian Milds				
US	184.00	191.00	186.00	--
Europe	189.96	199.78	191.45	--
Group Indicator	186.74	195.04	188.51	--
Other Milds				
US	192.19	200.69	195.94	--
Europe	191.44	199.87	190.32	--
Group Indicator	191.73	200.18	192.46	--
Brazilian Naturals				
US	152.00	161.00	153.00	--
Europe	168.75	178.62	169.60	--
Group Indicator	164.39	174.04	165.28	--
Robusta				
US	102.25	101.67	102.50	--
Europe	97.59	98.16	97.38	--
Group Indicator	98.33	98.72	98.20	--

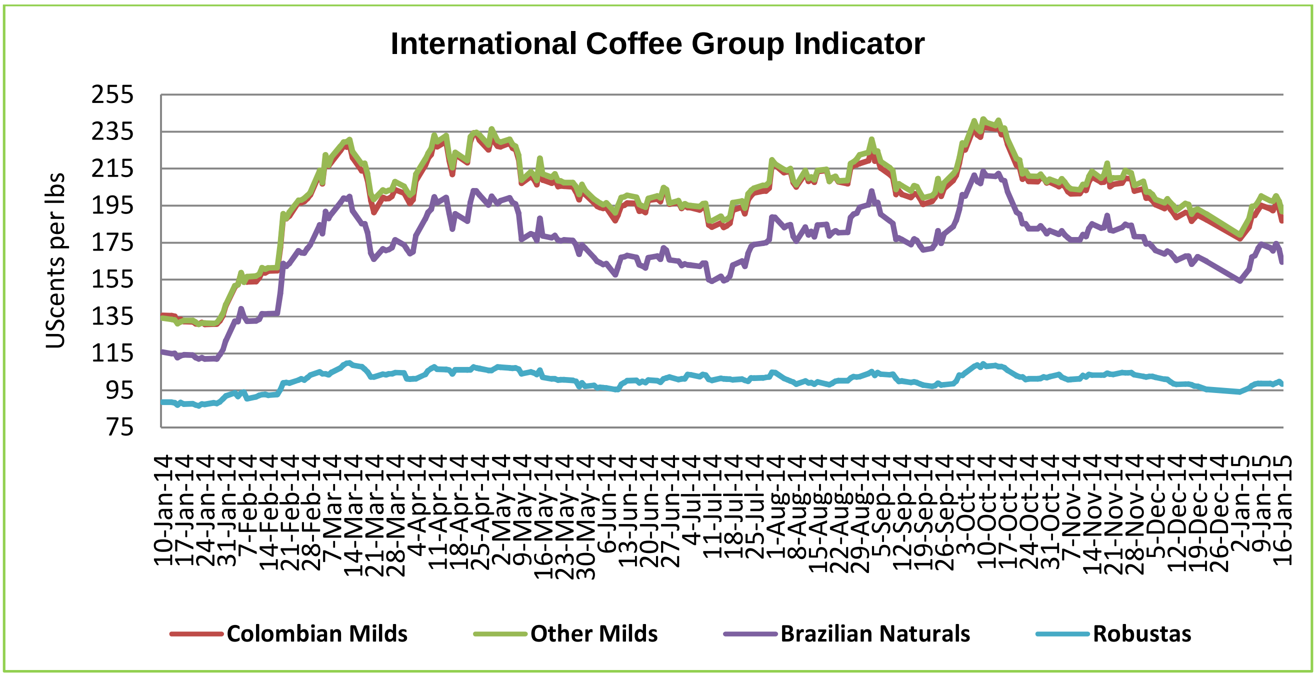
Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values in US cents/lb

International Coffee Indicators Chart:-

The prices of ICO composite indicators slump after rain forecast in the major coffee producing country Brazil. Stronger dollar is also weighing on the coffee prices movement. On the other hand, forecast of improved production in Brazil is also affecting on global prices trend.

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





Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	**Today(16-Jan-2015)**	**Week ago (9-Jan-15)**	**Month Ago (16-Dec-14)**	**Weekly Change (%)**
Mar-14	171.00	180.05	177.70	**-5.02**
May-15	173.65	182.70	180.20	**-4.95**
Jul-15	176.10	185.15	182.50	**-4.88**

Liffe Robusta Coffee Futures Prices				
Contract Months	**Today(16-Jan-2015)**	**Week ago (9-Jan-15)**	**Month Ago (16-Dec-14)**	**Weekly Change (%)**
Jan-15	1941	1933	1937	**0.41**
Mar-14	1970	1963	1964	**0.35**
May-14	1997	1990	1981	**0.35**

USC/Ib

USD/T

International Coffee Prices

	16.1.2015	**9.1.2015**	**16.12.2014**	**16.1.2014**
Vietnam (Robusta Beans Spot) (Dong/Kg)	40750	39900	39600	34750
Vietnam FOB (2-5 pct)* (Saigon port)	1965	1880	1907.50	1729
Indonesian FOB (4-80 defects)** (Lampung Port)	1950	1940	1950	1760

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

Weekly Auction Prices Of Kenya

Coffee Grade	Prices This Auction In (05/01/2015)	Average Prices In	Prices Last Auction In (12/01/2015)
Arabica AA	192-402	269.3	198-355
Arabica AB	101-323	233.22	214-270
Arabica C	82-251	213.22	214-270
Arabica PB	150-260	229.82	215-270
Arabica T	80-214	152.34	81-193
Arabica TT	146-253	212.81	187-222

Units in $ per 50 kg bags

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

Weekly Technical Outlook:-

- Candlestick chart depicts downside closing of the market on selling pressures.
- Rising 14 days EMI hints further steady to lower trend in the market.
- falling volume and prices indicates further short build up in the market.
- On the other hand, RSI is also down at 45.77 compared to last week movement at 49.65 indicating further declining phase of the next week.
- Fibonacci retracement level on downtrend hints first support level at 155.67@ 38.2% and second support level at 139.15@ 23.6%.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	156-188

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
139.15	155.67	171	188.90	199.63

US cents/Ib

COFFEE WEEKLY RESEARCH REPORT
19th Jan, 2015

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

Weekly Technical Outlook:-

- Candlestick chart shows upper trend of the market on good buying activities.
- On the other hand, 14-days EMI is moving down at 1966 from 1970 of last week record indicating further lower trend in the market.
- Falling volume and rising prices hints short covering in the market.
- Fibonacci retracement on upside wave shows second resistance level at 2046@38.2% for the next week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1907-2003

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1839	1906	1941	2004	2046

USD/T