Highlights of The Week

Mixed raw coffee price trend were seen in Karnataka market during this week as closed on 2nd February 2015 on improved trading activities. Total 241354 kgs was on offer including 138713 kgs of Arabica coffee and 102641 kgs of Robusta Coffee where 63000 kgs was sold at the auction which held on the 29th January 2015. Arabica Plantation PB grade from new season crop 2014/15 price were lower by Rs. 50 to 100 per 50 kgs compared to the previous sale date i.e. 22nd January 2015 due to declining demand.

As per Traders in India, Arabica coffee crops harvesting is completed in India as on date while Robusta harvesting is done around 45% only. They estimates Indian coffee crop output at 312000 MT in 2014/15 followed by Arabica crops at 135000 MT.

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.

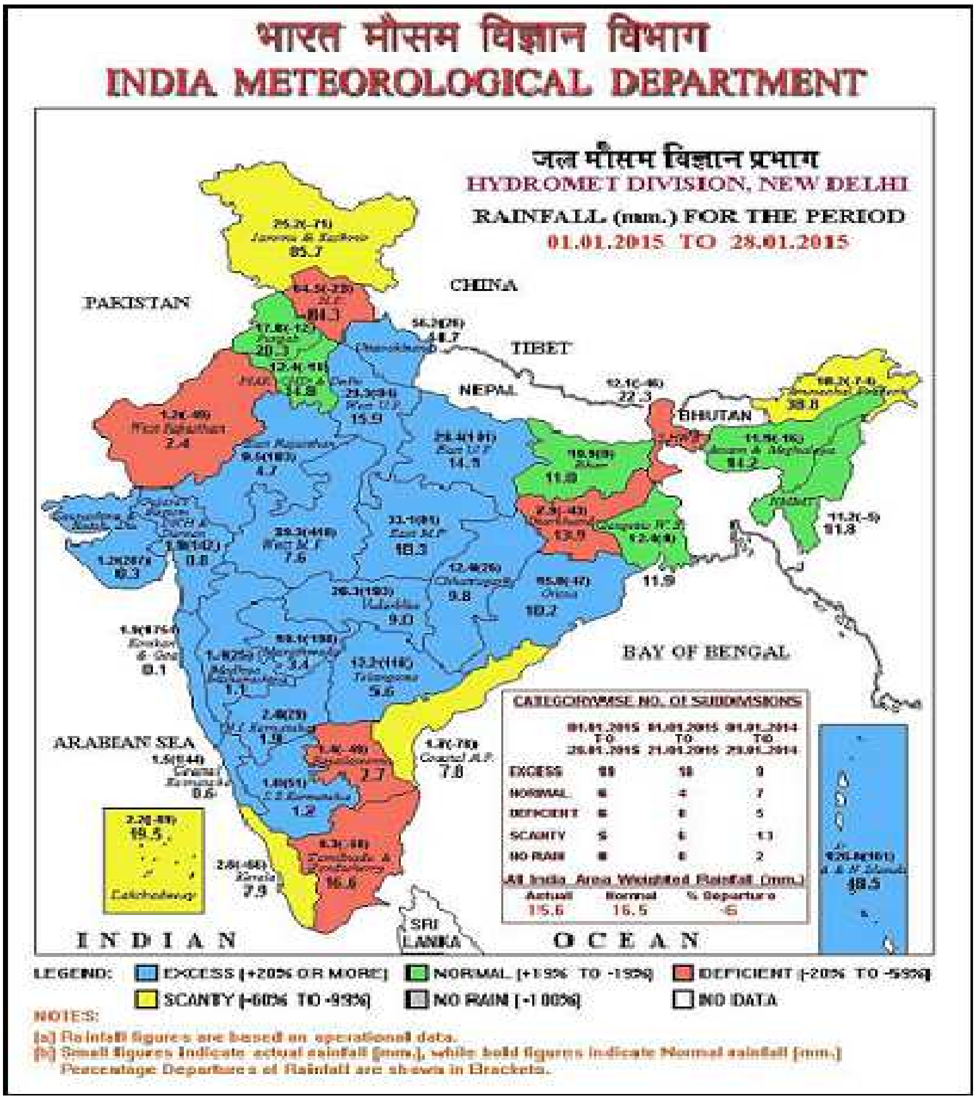
According to Reuters Poll of 13 traders and analyst, Vietnam is likely to produce 27.2 million bags in 2014/15 which is slightly lower from its previous poll in July 2014. Further, they expects ICE Robusta to increase to $ 2115 a tonne and ICE Arabica future at $ 1.98 cents a Ib at the end of 2015 due to unsupportive weather condition in Brazil and in expectation of a stronger Brazilian real currency against the U.S. dollar. The poll set the forecast of Brazilian coffee crops for 2015/16 at 46.5 million bags.

According to recently released data by International Coffee Organization, World coffee volume is pegged at 8.85 million bags in December 2015 slightly higher by 0.21% from 8.83 million bags of previous year record in the same month. Total exports of the World stood also higher by 0.58% to 111.72 million bags during Jan-2014 to Dec-2014 against 111.08 million bags in Jan-2013 to Dec-2013 followed by Arabica exports at 68.26 million bags compared to 68.53 million bags and Robusta exports at 43.47 million bags compared to 42.55 million bags.

As per traders, 2014/15 coffee crops harvesting has been completed in most of its Central Highlands region last month. However, some areas in Lam Dong, harvesting is still on ending stage as on date. Big farmers and exporters in Vietnam have begun to buy new crop for stock piling after below than expected crop size due to dry weather condition.

Weather Updates of India

Below Map shows weekly rainfall scenario of India:-



Source: IMD

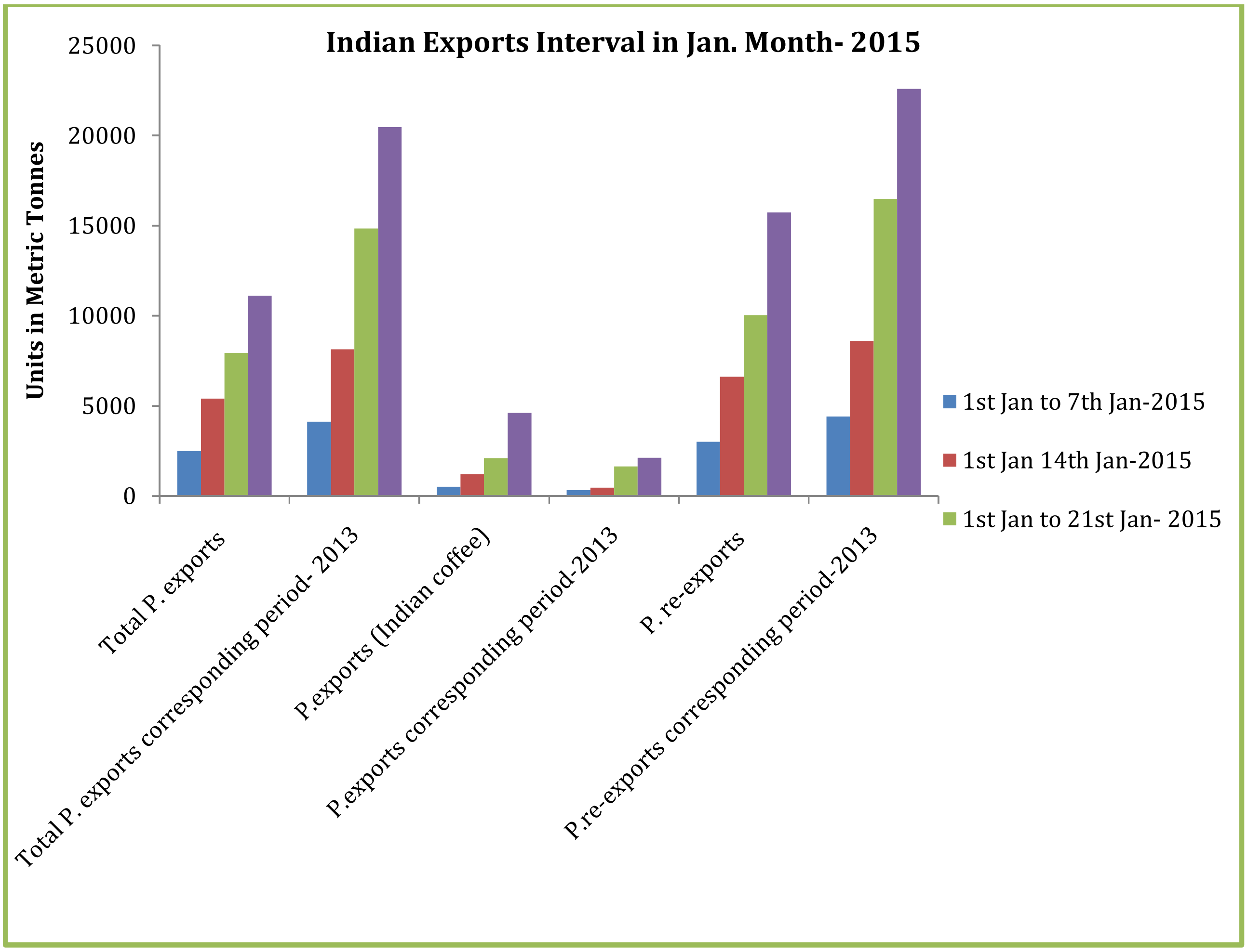
- India received total 15.6 mm actual cumulative seasonal rainfall of India (1st January 2014 to 28th January-2015) below 6% against 16.5 mm of Normal rain.

- Cold day conditions prevailed at many places over Punjab on 25th & 26th; at a few places over West Uttar Pradesh on 24th, 25th, 26th & 28th; over north Madhya Pradesh on 25th & 26th; and at isolated places over Haryana from 24th to 28th; over north Rajasthan from 24th to 27th and over Punjab & East Madhya Pradesh on 27th January, 2015.

Exports and Imports of India

Provisional Indian green coffee exports is registered down by 45.70% to 11118 metric tonnes from 1st January 2015 to 28th January 2015 as compared to 20476 metric tonnes of previous year exports during the same period of time. India re-exports maximum Instant type of coffee which is recorded at 4606 metric tonnes in this year during 1st January 2015 to 28th January 2015 significantly higher from preceding year re-exports volume i.e. 2111 metric tonnes on higher demand due to its better quality. Total provisional exports of Arabica parchment, Arabica cherry, Robusta Parchment, Robusta Cherry is placed down by 53.77% to 2936, 32.78% to 1150 metric tonnes, 45.99% to 526 metric tonnes, 34.27% to 5167 metric tonnes respectively against last year exports volume i.e. 6352 metric tonnes, 1711 metric tonnes, 974 metric tonnes, 7861 metric tonnes respectively in the same period of time.

Below table shows Indian coffee exports volume in details:-



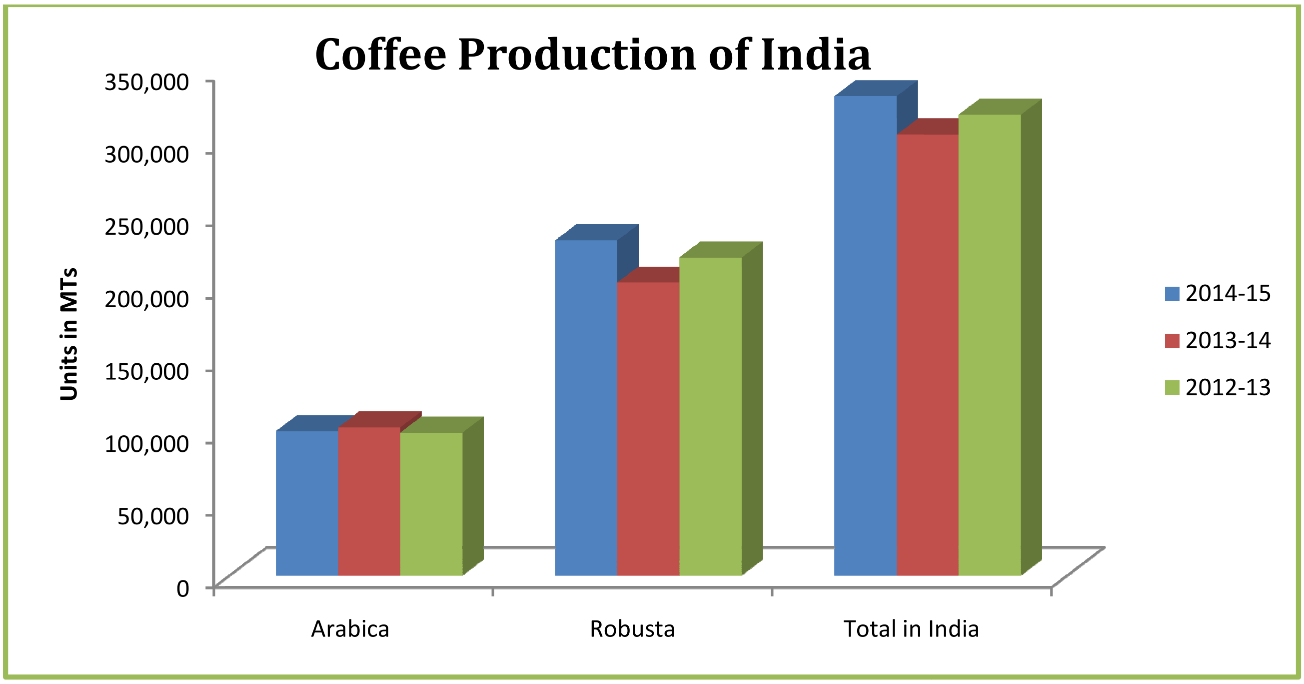
Source: The Coffee Board of India

Domestic Crops Condition and Production

Total Indian coffee crops estimates is placed higher against 2012-13 & 2013-14 coffee output. Post Monsoon crops estimates for 2014-15 stood up by 8.70% to 331,000 MT followed by total Robusta estimates at 231,400 MT with an increase of approx. 13% and Arabica estimates at 99,600 MT with a decline of 3% compared to last year output as per recently released data by the Coffee Board of India.

Below chart shows Coffee Production details of India since 2012-13:-

Year	Arabica	Robusta	Total in India
2014-15	99,600	231,400	331,000
2013-14	102,200	202,300	304,500
2012-13	98,600	219,600	318,200
Previous year % Change	-3	13	8.70
% Change from 2012-13	1	5	4.02

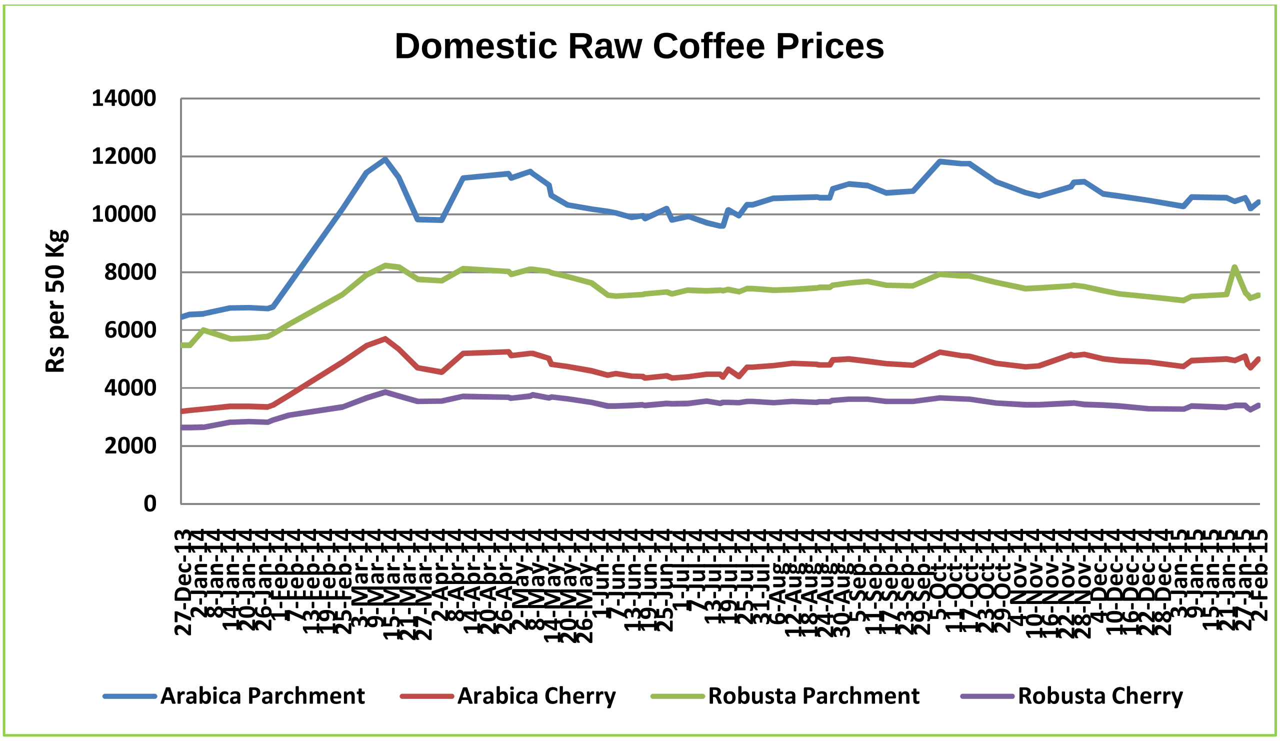


The Coffee Board of India

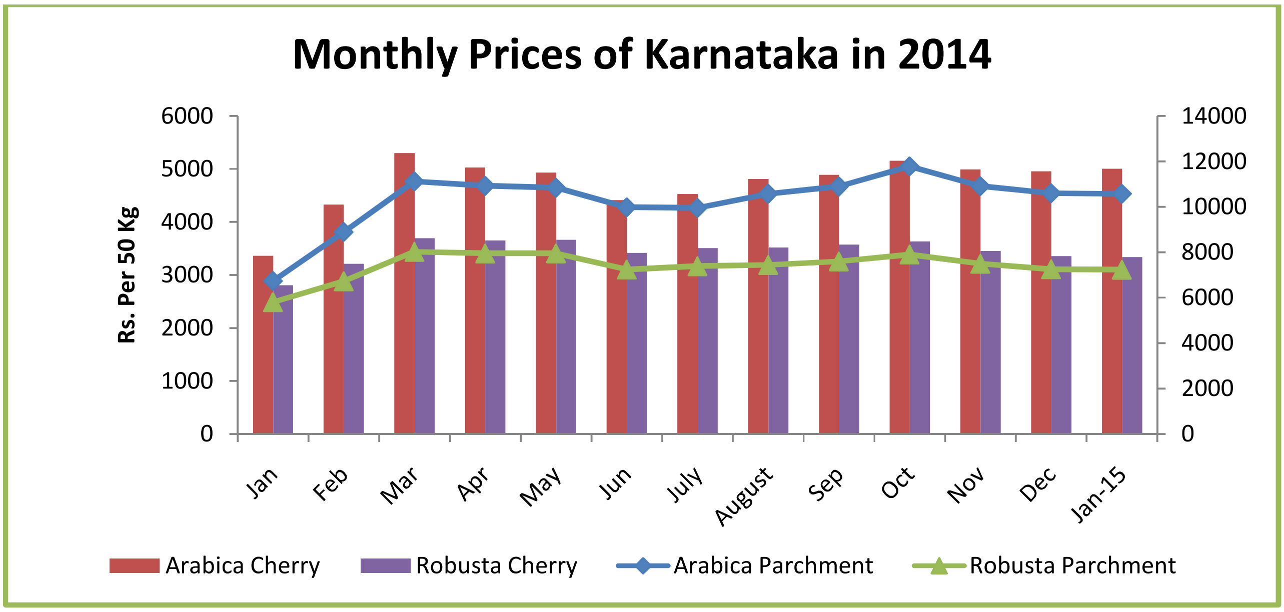
Coffee Prices of Auction Market & State-wise Market

Domestic coffee prices are improving on good buying and selling activities during this week. Arabica cherry is registered up at 5000 Rs./50 kg in this week against last week prices i.e. 4950 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	2.2.2015	31.1.2015	Change
Arabica Parchment	10425	--	--
Arabica Cherry	5000	--	--
Robusta Parchment	7200	--	--
Robusta Cherry	3400	--	--

*** Values in Rs per 50 Kg**

ICTA Auction Prices (Karnataka)

Grade	29.2.2015	22.2.2015	%Change	29.2.2015	22.2.2015	%Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	--	--	--	--	--	--
AA	266.00	--	--	--	185.00	--
PB	--	--	--	--	--	--
A	257.50	--	--	190.00	--	--
AB	--	--	--	--	--	--
B	213.00	243.00	-12.34	--	--	--
C	--	222.00	--	--	--	--
BBB	--	--	--	132.00	133.80	-1.34
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	162.00	--	--	--	--
A	--	--	--	--	--	--
PB	158.00	--	--	140.00	--	--
AA	--	--	--	148.00	--	--
AB	--	--	--	141.50	141.00	0.35
B	--	--	--	--	--	--
C	--	--	--	133.50	133.00	0.37
BBB	--	--	--	128.00	129.00	-0.77

Values in Rs. per kg

International Market Updates:

Weekly Futures Review -

ICE Arabica coffee future prices of March contract slumped in this week on lackluster buying activities. ICE Arabica coffee future prices decreased by 0.33% to 161.90 US cents/Ib as on 30th Jan. 2015 compared to 162.45 US cents/Ib of last week prices. In long run future prices are likely to increase by this year with a global deficit in 2014/15. In 2014, ICE future prices rose by 50% in 2014.

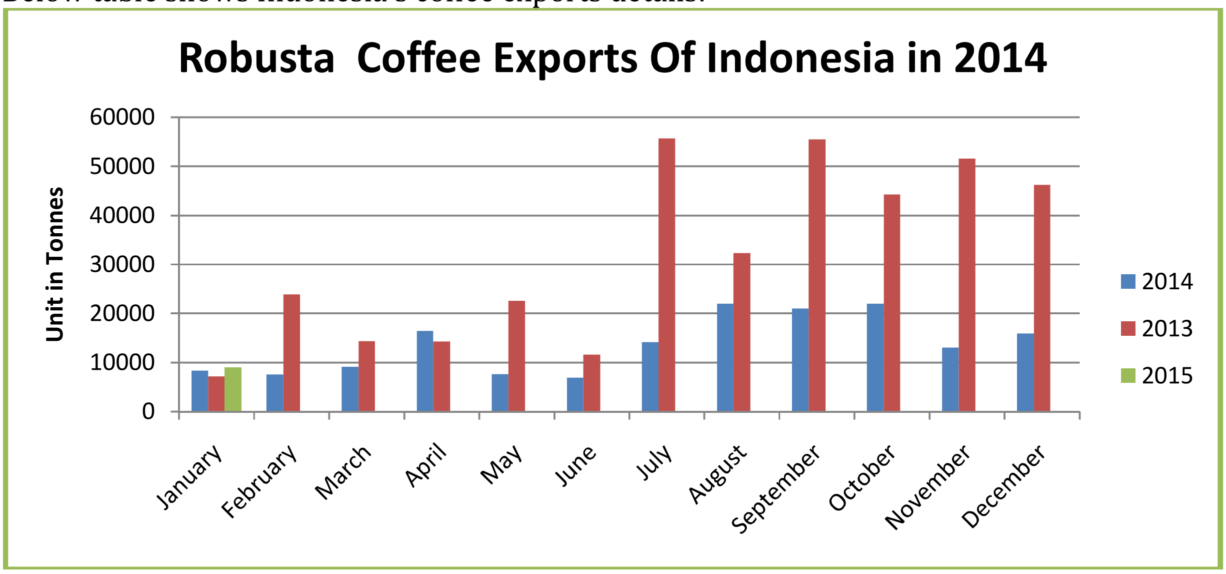
Brazil:- Brazil receives 0.25 inches to 1.5 inches on half the coffee belt over the past 24 hours. About 30 mm and 70 mm (1.2-2.8 inches) of rainfall may occur in Brazil in next week and additional 50 mm rain may fall by the second week of February 2015 as reported by Somar.
As per ICO, Brazil 's exports in Dec-2014 is pegged at 3124250 -60 kg bags higher by 11% against Nov. month and 4% higher from last year during the same period of time.
Below table shows Brazil's coffee details in 2014:-

Brazil's Coffee Exports Details					
Commodity	Dec-14	Nov-14	Dec-13	% change Last month	% change Last year
Coffee	3,124,250	2,820,935	2,995,221	11	4

Source: Reuters

Vietnam:- According to Reuters Poll of 13 traders and analyst, Vietnam is likely to produce 27.2 million bags in 2014/15 which is slightly lower from its previous poll in July 2014.

Others :- As per government trader data, Robusta coffee bean exports in Sumatra, one the main growing area of Indonesia went up by 10% to 9101.4 tonnes in January 2015 against 8299.19 tonnes in January 2014 however lower from last month i.e. 15936.82 tonnes.
Below table shows Indonesia's coffee exports details:



Source: Reuter

Coffee Estimates of the World

ICO Production Estimates From 2009 to 2014 (Units in Thousands 60- kg bags)								
		Crop year	2009	2010	2011	2012	2013	2014
WORLD TOTAL	-	-	**123027**	**133631**	**136246**	**147495**	**146774**	**141620**
Member countries			**115981**	**125750**	**127146**	**139439**	**139144**	**135033**
Brazil	**(A/R)**	Apr/Mar	39470	48095	43484	50826	49152	45342
Vietnam	**(R/A)**	Oct/Sep	17825	20000	26500	25000	27500	27500
Indonesia	**(R/A)**	Apr/Mar	11380	9129	7288	13048	11667	9000
Colombia	**(A)**	Oct/Sep	8098	8523	7652	9927	12124	12500
Ethiopia	**(A)**	Oct/Sep	6931	7500	6798	6233	6527	6625
India	**(R/A)**	Oct/Sep	4806	4728	4921	4977	5075	5746
Mexico	**(A)**	Oct/Sep	4109	4001	4563	4327	3 916	4 000
Guatemala	**(A/R)**	Oct/Sep	3835	3950	3840	3743	3159	3500
Honduras	**(A)**	Oct/Sep	3603	4331	5903	4537	4568	4650
Uganda	**(R/A)**	Oct/Sep	2845	3203	2817	3698	3665	4000
Nicaragua	**(A)**	Oct/Sep	1871	1634	2193	1890	2017	2000
Côte d'Ivoire	**(R)**	Oct/Sep	1795	982	1886	2046	1923	2175
Costa Rica	**(A)**	Oct/Sep	1304	1392	1462	1571	1418	1508
El Salvador	**(A)**	Oct/Sep	1065	1814	1152	1360	742	680
Papua New Guinea	**(A/R)**	Apr/Mar	1038	870	1414	717	828	850
Cameroon	**(R/A)**	Oct/Sep	902	503	574	366	413	400
Ecuador	**(A/R)**	Apr/Mar	813	854	825	828	666	650
Thailand	**(R/A)**	Oct/Sep	795	828	831	608	638	640
Philippines	**(R/A)**	Jul/Jun	730	189	180	177	186	200
Tanzania	**(A/R)**	Jul/Jun	675	846	544	1 109	799	900
Kenya	**(A)**	Oct/Sep	630	641	757	875	863	850
Rwanda	**(A)**	Apr/Mar	259	323	251	258	246	250
Togo	**(R)**	Oct/Sep	202	160	162	78	141	100
Bolivia	**(A)**	Apr/Mar	142	130	143	115	128	120
Panama	**(A)**	Oct/Sep	138	114	106	115	92	95
Yemen	**(A)**	Oct/Sep	135	161	182	188	171	185
Burundi	**(A)**	Apr/Mar	112	353	204	406	161	200
Central African Republic	**(R)**	Oct/Sep	93	95	87	56	30	22
Cuba	**(A)**	Jul/Jun	92	108	100	88	107	100
Non-member countries			**7046**	**7881**	**9100**	**8056**	**7630**	**6587**
Peru	**(A)**	Apr/Mar	3286	4069	5373	4453	4338	3400
Venezuela	**(A)**	Oct/Sep	214	1202	902	952	804	660
Madagascar	**(R)**	Apr/Mar	457	530	602	522	571	530
Lao, People's Dem. Rep. of	**(R)**	Oct/Sep	434	544	510	521	388	500
Dominican Republic	**(A)**	Jul/Jun	352	378	491	488	425	400
Haiti	**(A)**	Jul/Jun	351	350	349	350	346	350
Congo, Dem. Rep. of	**(R/A)**	Oct/Sep	346	305	357	334	323	335
Guinea	**(R)**	Oct/Sep	499	386	393	319	323	300

International Coffee Price Trend

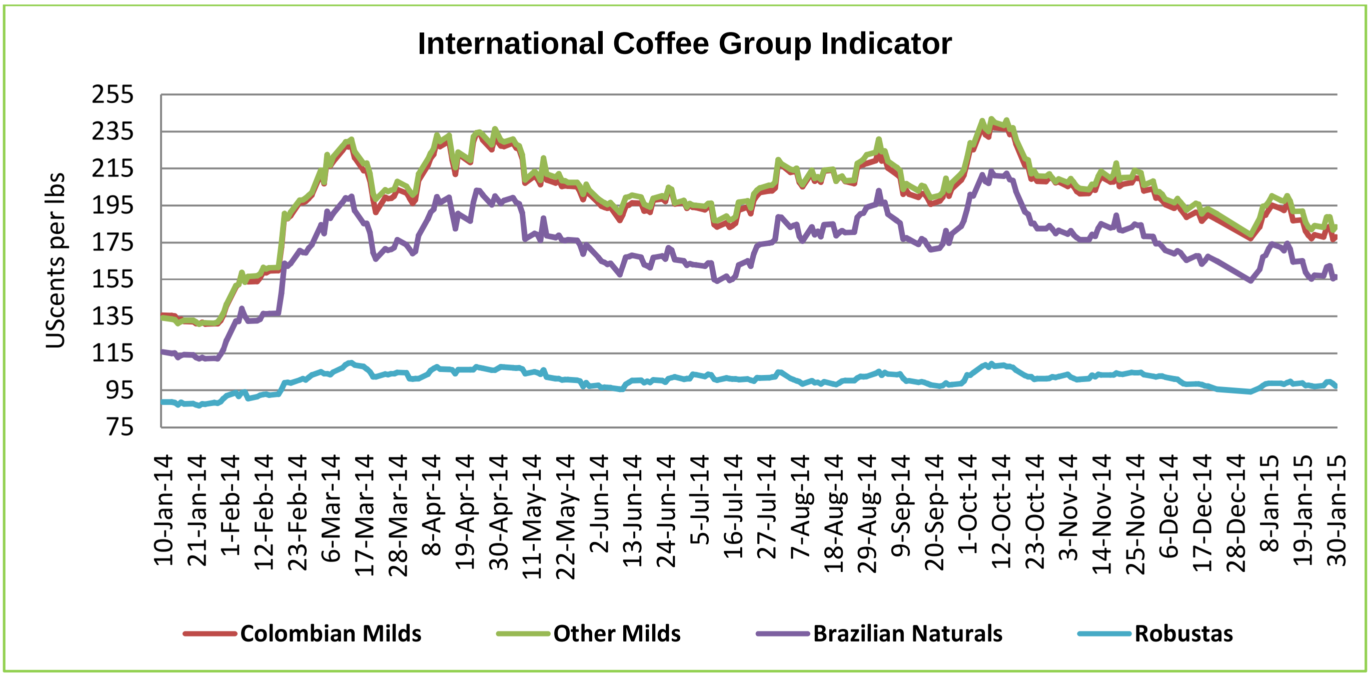
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**30.1.2015**	**23.1.2015**	**30.12.2014**	**30.1.2014**
ICO Composite Indicator	143.43	143.95	--	113.90
Colombian Milds				
US	175.00	176.50	--	136.00
Europe	181.37	182.24	--	135.20
Group Indicator	177.93	179.14	--	135.63
Other Milds				
US	183.19	184.19	--	138.75
Europe	183.32	183.73	--	135.64
Group Indicator	183.27	183.91	--	136.82
Brazilian Naturals				
US	146.00	146.50	--	110.00
Europe	159.95	161.04	--	119.59
Group Indicator	156.32	157.26	--	117.09
Robusta				
US	103.75	101.83	--	95.50
Europe	95.90	96.14	--	89.47
Group Indicator	97.16	97.05	--	90.44

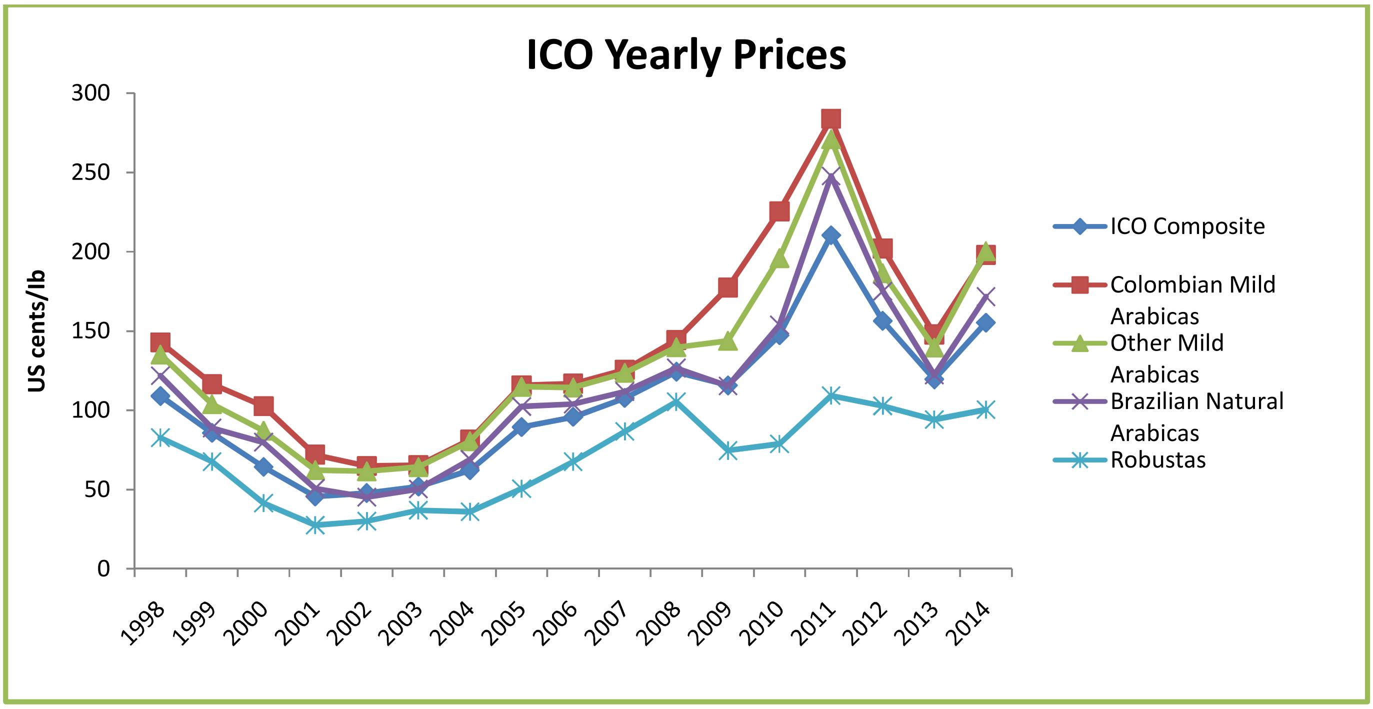
Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values in US cents/lb

International Coffee Indicators Chart:-

ICO composite indicators prices surged by 29% to 155.26 followed by Colombia mild Arabica, other mild Arabica, Other mild Arabica & Brazilian Natural Arabica by 33.87% to 197.95, 43.62% to 200.39, 40.38% to 171.59 & 6.66% to 100.43 Usc cents per Ibs in 2014 against previous year price trend due to global coffee crop deficit. The prices of ICO composite indicators is continue declining on lower demand. Buyers and sellers are still in wait and watch condition.

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





Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(30-Jan-2015)	Week ago (23-Jan-15)	Month Ago (30-Dec-14)	Weekly Change (%)
Mar-14	161.90	162.45	167.50	-0.33
May-15	164.65	165.15	170.10	-0.30
Jul-15	167.35	167.75	172.40	-0.23

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(30-Jan-2015)	Week ago (23-Jan-15)	Month Ago (30-Dec-14)	Weekly Change (%)
Jan-15	1921	1903	1871	0.94
Mar-14	1925	1931	1906	-0.31
May-14	1954	1960	1930	-0.30

USC/Ib

USD/T

International Coffee Prices

	30.1.2015	23.1.2015	30.12.2014	30.1.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	40350	39650	38750	33950
Vietnam FOB (2-5 pct)* (Saigon port)	1952.50	1935	1880	1649
Indonesian FOB (4-80 defects)** (Lampung Port)	1940	1940	1890	1750

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

Weekly Auction Prices Of Kenya

Coffee Grade	Prices This Auction In (12/01/2015)	Average Prices In	Prices Last Auction In (19/01/2015)
Arabica AA	148-486	275.15	192-402
Arabica AB	117-352	227.2	101-323
Arabica C	101-232	200.32	82-251
Arabica PB	166-296	241.79	150-260
Arabica T	80-191	145.62	80-214
Arabica TT	81-238	195.81	146.253

Units in $ per 50 kg bags

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

Weekly Technical Outlook:-

- Candlestick chart shows thin trading activities in the market.
- Falling 14 days EMI hints further steady to down trend in the market.
- On the other hand, rising volume and falling prices hints fresh short build up in the market.
- While, RSI is slightly down at 42.18 compared to last week movement at 42.39 indicating further declining phase of the next week.
- Falling line hints continue bearish trend of the market in upcoming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	153-174

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
144.15	152.66	161.90	175.61	184.10

US cents/Ib

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

Weekly Technical Outlook:-

- Candlestick chart depicts upside closing after buyers interest.
- However, 14-days EMI is moving down at 1953 from 1958 of last week record indicating further steady to bearish zone of the market.
- Falling volume and rising prices hints short covering situation in the market.
- Fibonacci retracement on downside wave shows first support level at 1852@50% & second support level at 1754@ 38.2% for the next week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1853-2006

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1754	1852	1921	2007	2056

USD/T