Highlights of The Week

Weak tone were featured in Karnataka market during this week ended as on 16th March 2015. Due to the continuous drop in the international coffee price all sections of trade were less active, purchased quantities if price meets their expectation. Arabica Plantation PB of new season 2014/15 price were lower by Rs.50 to 250 per 50 Kgs when compared to last levels while A and B grade on offer remained unsold. Arabica Cherry AB and C grade on offer remained unsold as sellers price expectation were higher than the buyers interest. There was no new season Robusta Cherry coffees on offer. Total 231423 kgs was on offer including 127545 kgs of Arabica coffee and 103878 kgs of Robusta coffee where 53000 kgs was sold at the auction which is held on the 12th March 2015. All varieties of old season coffees received less enquiry than seen in the previous sale date.

Farm gate prices of Arabica in Karnataka came down by 20-22% and Robusta prices by 20% from the prevailing price trend in December 2014 and January 2015. This season coffee crop harvesting is about to finish in the major growing states of India. Domestic price trend is likely to move in steady to down zone after the news of better crop condition in Brazil on account of good rains in January and February 2015. The direction of prices may change the trend once Brazil starts its next season harvest i.e. in May/ June 2015. Post Monsoon crop 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 14.38% and Arabica estimates at 99,600 MT with a decline of 2.54% compared to last year output.

According to the Coffee Exporters Association Cecafe, total green coffee exports of Brazil is amounted at 2.44 million bags in February 2015 down from 2.83 million bags in January 2015 however up from 2.66 million bags in February 2014 on improved demand.
Below table shows coffee exports details of Brazil in February 2015 Vs February 2014:-

Exports Details of Brazil (Units in 60 kg bags)						
	Robusta	Arabica	Green	Soluble	Total	$ MLN
Feb-15	249,324	2.19 MLN	2.44 MLN	243,123	2.68 MLN	524.5
Feb-14	148,654	2.51 MLN	2.66 MLN	265,990	2.93 MLN	411.9

Source:Reuter

According to the Country's coffee council CSC, coffee exports from Salvador increased by 52% to 86,233 60- kg bags in February 2015 against 56708 kg bags a year before in the same period of time supported by a recovery at plantations hit by the tree- killing fungus roya. On the other hand total exports in the first five months of the current 2014/15 season is registered up by 10.07% to 194,435 60- kg bags as compared to the same period of time of last year.

Weather Updates of India

Below Map shows weekly rainfall scenario of India:-

5-Day Rainfall Forecast (MORNING)
DATED: 16-03-2015

S.N	MET. SUB-DIVISION	Forecast 16-03-15	17-03-15	18-03-15	19-03-15	20-03-15
1	A & N Islands	DRY	DRY	ISOL	ISOL	ISOL
2	Arunachal Pradesh	SCT	ISOL	ISOL	ISOL	ISOL
3	Assam & Meghalaya	ISOL	ISOL	ISOL	ISOL	ISOL
4	Nag, Mani, Mizo & Tripura	ISOL	DRY	DRY	DRY	DRY
5	SHWB & Sikkim	FWS	SCT	DRY	DRY	DRY
6	Gangetic West Bengal	ISOL	ISOL	DRY	DRY	DRY
7	Odisha	ISOL	DRY	ISOL	ISOL	ISOL
8	Jharkhand	SCT	SCT	DRY	DRY	DRY
9	Bihar	SCT	SCT	DRY	DRY	DRY
10	East Uttar Pradesh	FWS	ISOL	ISOL	DRY	DRY
11	West Uttar Pradesh	FWS	SCT	DRY	DRY	DRY
12	Uttarakhand	FWS	ISOL	DRY	DRY	DRY
13	Haryana, Chd & Delhi	FWS	ISOL	DRY	DRY	DRY
14	Punjab	FWS	ISOL	ISOL	DRY	DRY
15	Himachal Pradesh	WS	SCT	ISOL	DRY	DRY
16	Jammu & Kashmir	WS	FWS	SCT	ISOL	DRY
17	West Rajasthan	ISOL	ISOL	DRY	DRY	DRY
18	East Rajasthan	SCT	ISOL	ISOL	DRY	DRY
19	West Madhya Pradesh	FWS	SCT	ISOL	DRY	DRY
20	East Madhya Pradesh	FWS	FWS	ISOL	DRY	DRY
21	Gujarat Region	ISOL	DRY	DRY	DRY	DRY
22	Saurashtra, Kutch & Diu	ISOL	DRY	DRY	DRY	DRY
23	Konkan & Goa	ISOL	DRY	DRY	DRY	DRY
24	Madhya Maharashtra	ISOL	ISOL	DRY	DRY	DRY
25	Marathawada	ISOL	ISOL	DRY	DRY	DRY
26	Vidarbha	SCT	ISOL	ISOL	DRY	DRY
27	Chhattisgarh	SCT	ISOL	ISOL	DRY	DRY
28	Coastal Andhra Pradesh	ISOL	ISOL	DRY	DRY	ISOL
29	Telangana	ISOL	ISOL	DRY	DRY	ISOL
30	Rayalaseema	ISOL	DRY	DRY	DRY	DRY
31	Tamilnadu & Pudd.	SCT	ISOL	ISOL	ISOL	DRY
32	Coastal Karnataka	SCT	SCT	ISOL	ISOL	DRY
33	N I Karnataka	ISOL	DRY	DRY	DRY	DRY
34	S I Karnataka	SCT	SCT	ISOL	DRY	DRY
35	Kerala	FWS	FWS	ISOL	ISOL	ISOL
36	Lakshadweep	FWS	FWS	SCT	ISOL	ISOL

% of stations reporting rainfall

% Stations	Category	% Stations	Category
76-100	Widespread/Most Places (WS)	26-50	Scattered/ few places (SCT)
51-75	Fairly Widespread/Many Places (FWS)	1-25	Isolated (ISOL)
No Rain	Dry		

Source: IMD

- Rain/snow occurred at most places over Jammu & Kashmir, Himanchal Pradesh and Uttarakhand. Rain/thundershower occurred at most places over East Rajasthan and West Madhya Pradesh at many places over Delhi , Uttar Pradesh and East Madhya Pradesh at a few places over West Rajasthan at isolated places over Arunachal Pradesh Vidarbha, Tamilnadu, Kerala and Lakshadweep.

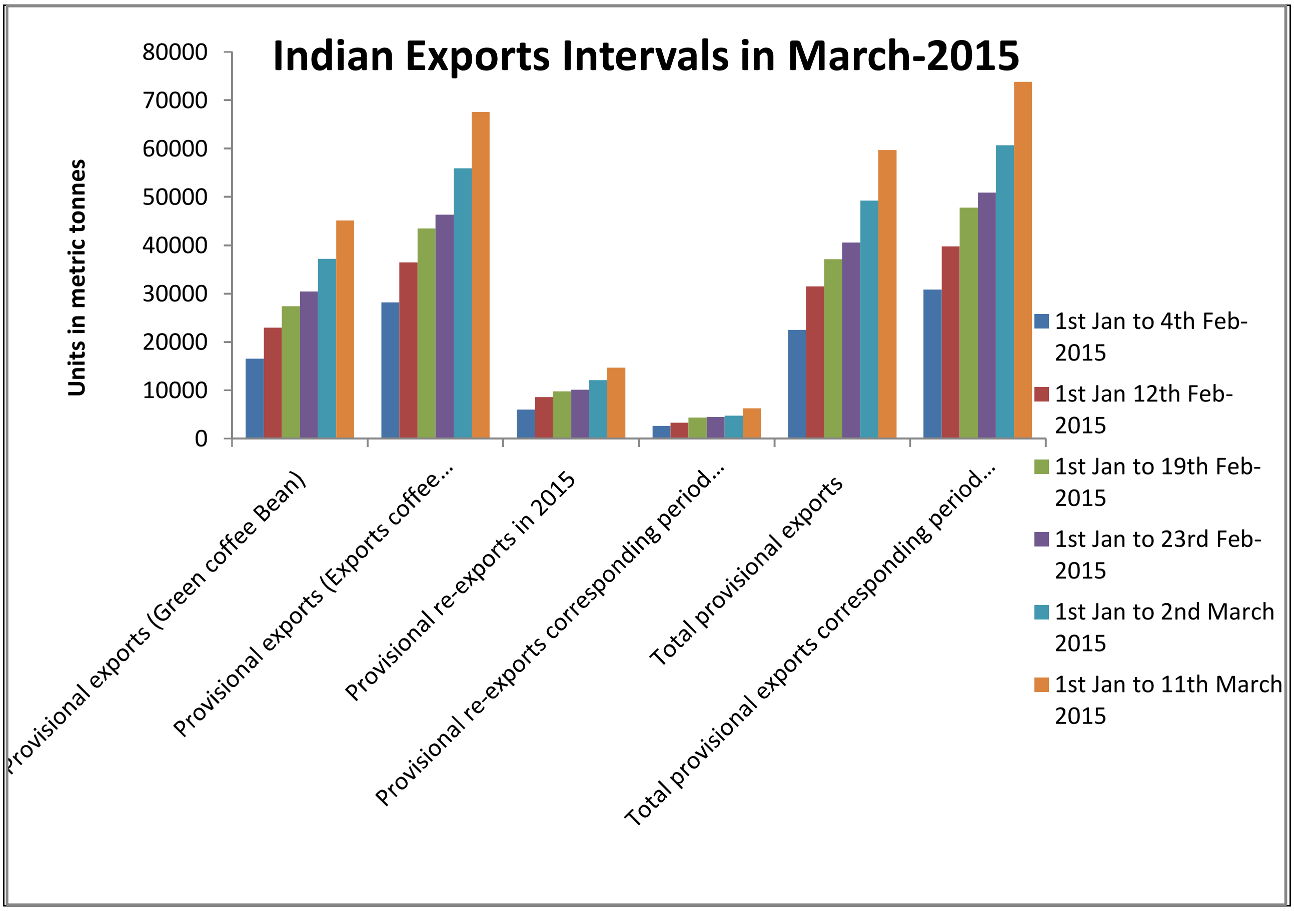
- Thunderstorms are likely to be accompanied with isolated hailstorm over Himachal Pradesh, Uttarakhand, Punjab, Haryana, Chandigarh & Delhi, Rajasthan, Uttar Pradesh, Madhya Pradesh, Vidarbha, Madhya Maharashtra and Marathawada during 13- 15 March.

- Last week's upper air cyclonic circulation over Comorin area and adjoining south Tamilnadu lay centred over Lakshadweep and adjoining Maldives area extending up to 0.9 km above mean sea level on 5th to 7th and became less marked on 8th.

Exports and Imports of India

Provisional Indian green coffee exports is registered down by 33.22% to 45105 metric tonnes from 1st January 2015 to 11th March 2015 as compared to 67549 metric tonnes of previous year exports during the same period of time. India re-exports maximum Instant type of coffee which is recorded at 14610 metric tonnes in this year during 1st January 2015 to 11th March 2015 significantly up from preceding year re-exports volume i.e. 6235 metric tonnes on higher demand due to its better quality. Total provisional exports of Arabica parchment, Arabica cherry, Robusta cherry is placed down by 47.45% to 9407, 30.02% to 3433 metric tonnes, 20.04% to 23008 metric tonnes respectively against last year exports volume i.e.17904 metric tonnes, 4903 metric tonnes, 28777 metric tonne respectively in the same period of time.

Below table shows Indian coffee exports volume in details:-



Source: The Coffee Board of India

Domestic Balance Sheet (USDA)

Balance Sheet Highlight:-

- Total availability of India may stand higher this season (Oct'14-Sep'15) due to higher production and opening stock estimates.

- Total consumption and exports is expected upside on increased demand of coffee from overseas during the season.

- However, ending stocks would be lower this season due to increased domestic consumption and exports volume. It is forecast to reach at 2077 thousands 60- kg bags in 2014/15 marketing year down against 2157 thousands-60 kg bags in 2013/14 marketing year.

Below chart shows domestic coffee balance sheet since 2011-12 to 2014-15:-

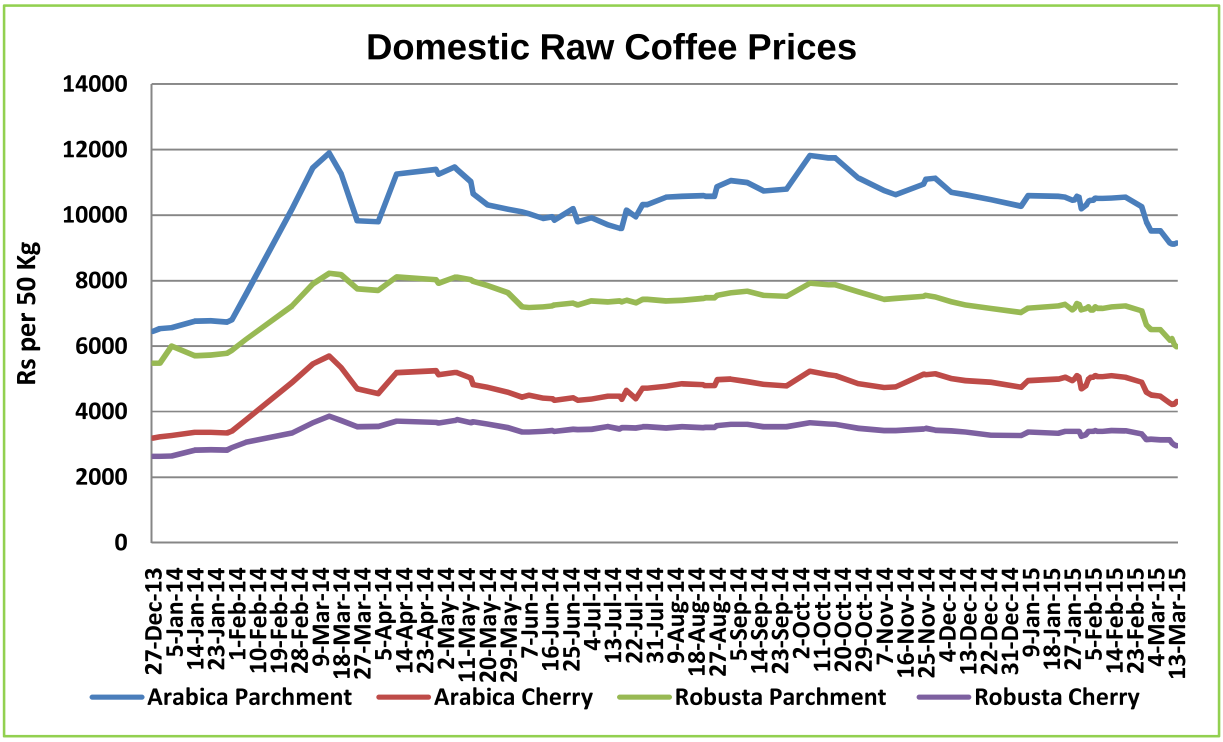
All figures in Thousands-60 kg bags				
Item	**2014-15***	**2013-14**	**2012-13**	**2011-12**
Supply				
Opening Stock	2157	1982	1473	1742
Crop Size	5100	5075	5303	5230
Imports	1045	1149	1164	892
Availability	8302	8206	7940	7864
Demand				
Soluble Domestic consumption	430	430	350	380
Roasted, Ground Dom. Consumption	770	819	750	788
Total consumption	1200	1249	1100	1168
Exports	5025	4800	4858	5223
Total Demand	6225	6049	5958	6391

Source: USDA (* Estimate)

Coffee Prices of Auction Market & State-wise Market

Domestic coffee prices started falling from Feb month due to continue declining exporters demand. Prices are likely to improve in April month in expectation of fresh demand from foreigners.

Below mentioned charts depicts domestic raw coffee prices and monthly prices in 2014/15:-



Source: The Coffee Board Of India

Domestic Raw Coffee Prices (Karnataka):

Variety	16.3.2015	9.3.2015	Change
Arabica Parchment	9000	9500	-500
Arabica Cherry	4100	4650	-550
Robusta Parchment	6000	6250	-250
Robusta Cherry	3075	3250	-175

*** Values in Rs per 50 Kg**

ICTA Auction Prices (Bangalore)(New Season(2014-2015) Crop

Grade	12.3.2015 Arabica Plantation	5.3.2015 Arabica Plantation	Change	12.3.2015 Arabica Cherry	5.3.2015 Arabica Cherry	Change
MNEB	13960	--	--	--	--	--
AA	13300-13620	13600	20	--	--	--
PB	12450-13100	12500-13000	+100	--	--	--
A	--	12650-13250	--	--	--	--
AB	--	--	--	--	--	--
B	--	--	--	--	--	--
C	9350-9400	9750-10500	-1100	--	--	--
BBB	7100-7350	6500-7350	-250	--	6400	--
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	--	--	--	--
A	--	--	--	--	--	--
PB	7600	9350	-1750	--	--	--
AA	--	--	--	--	--	--
AB	8160	--	--	--	--	--
B	--	--	--	--	--	--
C	--	--	--	--	--	--
BBB	--	--	--	--	--	--

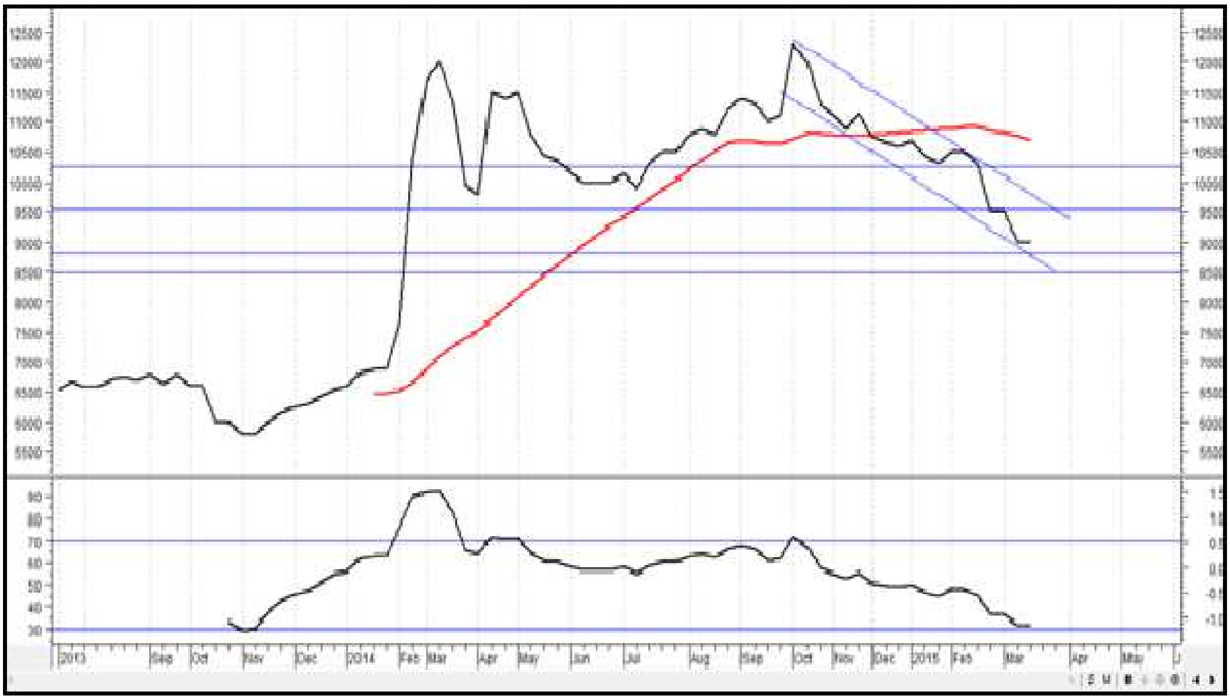
Values in Rs. per kg

ICTA Auction Prices (Bangalore)(Old Season(2013-2014) Crop

Grade	12.3.2015 Arabica Plantation	5.3.2015 Arabica Plantation	%Change	12.3.2015 Arabica Cherry	5.3.2015 Arabica Cherry	%Change
MNEB	--	--	--	--	--	--
AA	--	--	--	--	--	--
PB	--	--	--	--	9850	--
A	--	11105-13250	--	--	9400	--
AB	--	--	--	--	--	--
B	--	--	--	--	--	--
C	--	--	--	--	--	--
BBB	--	--	--	--	5500	--
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	--	--	--	--
A	--	--	--	--		--
PB	--	--	--	--	6550	--
AA	--		--	--	--	--
AB	--	--	--	--	6625-6650	--
B	--	--	--	6400-6440	--	--
C	--	--	--	6315	6300	15
BBB	--	--	--	6240	5500-6150	90

Values in Rs. per 50kg.

Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market



Weekly Technical Outlook:-

- Above chart shows steady to down trend in the market on the back of lower demand.
- RSI is moving down at 31.67 in this week against 36.26 of previous week indicates further steady to weak tone in the prices.
- Falling trend line shows further declining phase of the market.
- We expect prices to trade remain with steady to lower trend of the market.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	8850-9500

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
8472	8805	9000	9549	10235

Units in Rs./50 kg.

International Market Updates:

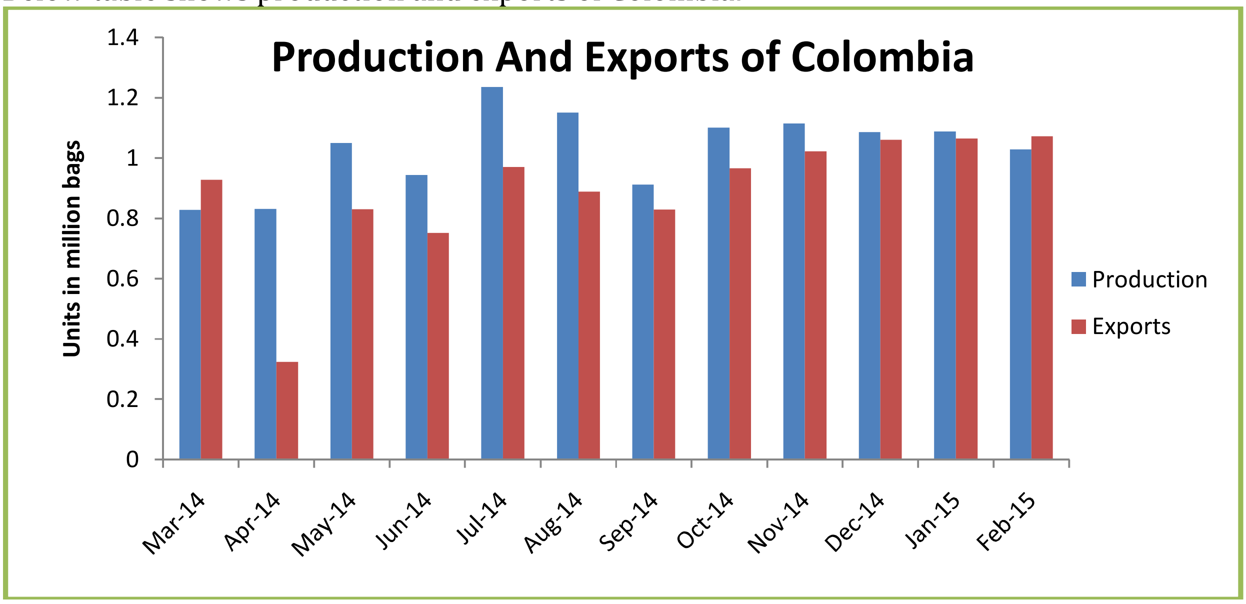
Weekly Futures Review -
ICE Arabica coffee future prices of March contract slipped and quoting at 126.45 US cents/Ib in the current period of time against 180 US cents/ Ib in October 2014. Prices are continue falling on the news of higher crop size in Brazil. Arabica coffee prices went down by 30% in the last two month. While, Robusta coffee future prices declined by 8.79% at $1686 in this week against $1848 in the previous week on fund and technical selling.

Vietnam:- According to the Agriculture Ministry, Vietnam is planning to reduce the area under coffee plantation to 600,000 hectares (1.48 million acres) by 2020 down from 641,000 hectares under coffee plantation in 22 provinces. Vietnam produced 20% less coffee crop in 2014/15 from the previous season crop size i.e. 1.33 million tonnes (22.2 million bags).

Brazil:- As per sources, Brazil is likely to produce coffee crop at 40.3 million bags and 43.25 million bags in the next season 2015/16 after a fall by 4.6% to 11.1% from the last year's harvest of 45.34 million bags. Arabica beans output may stand at 30 million to 32.15 million bags while Robusta crop is expected to stand at 10.3 million bags to 11.1 million bags of the new crop. On the other hand, total coffee exports of Brazil may decline by 3-4% to 36.3 million bags in 2015 against previous year.

Others:- As per sources, Colombia's coffee production is kept down by 5.42% to 1.02 million bags as compared to previous month record i.e. 1.08 million bags however exports of this month is recorded up by 0.65% to 1.07 million bags in February 2015 against 1.06 million bags in the last month January 2015.

Below table shows production and exports of Colombia:-



Source: Reuters

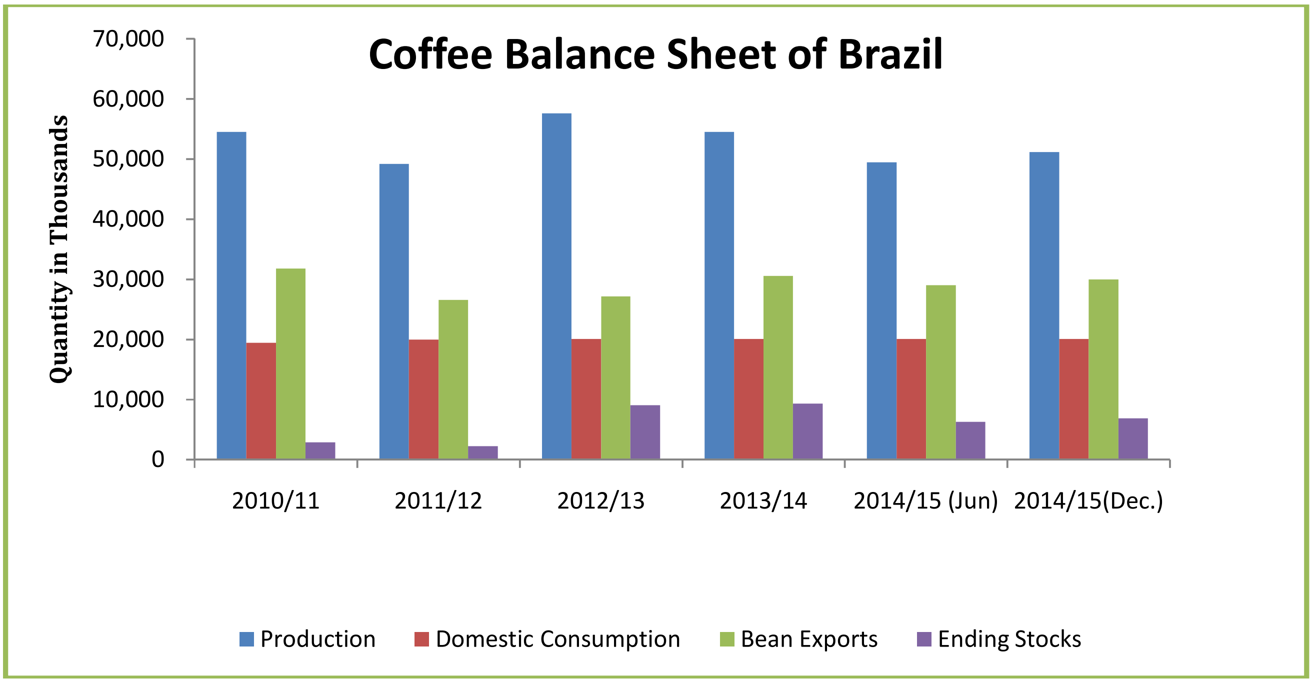
Coffee Exports Details Of The World

Coffee Balance Sheet of the World

According to USDA released data, the production of Brazil is estimated at 51.20 million bags for 2014/15 crop year down by 6.05% from last year output. On the other hand, the estimate of ending stocks is placed at 6.90 million bags with a significant decline by 26.02% against 2013/14 record i.e. 9.33 million bags.

Below chart depicts Coffee balance sheet of Brazil in 2014-2015:-

	2010/11	2011/12	2012/13	2013/14	2014/15 (June)	2014/15 (Dec.)
Production	54,500	49,200	57,600	54,500	49,500	51,200
Domestic Consumption	19,420	20,025	20,110	20,100	20,100	20,100
Bean Exports	31,810	26,556	27,143	30,593	29,000	30,000
Ending Stocks	2,906	2,238	9,068	9,338	6,318	6,908



Source: ICO

International Coffee Price Trend

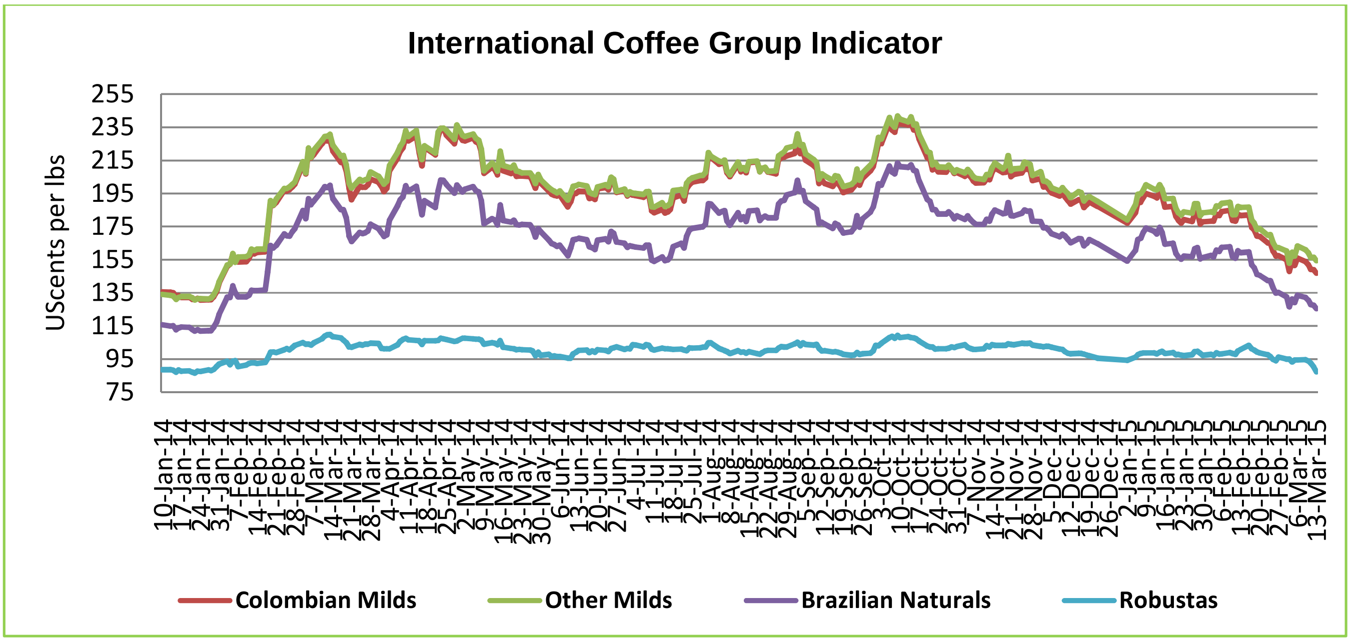
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**13.3.2015**	**6.3.2015**	**13.2.2015**	**13.3.2014**
ICO Composite Indicator	120.50	129.60	146.76	177.29
Colombian Milds				
US	144.75	155.50	179.50	230.00
Europe	149.18	159.62	183.98	224.98
Group Indicator	146.79	157.39	181.56	227.69
Other Milds				
US	153.19	162.94	188.44	232.75
Europe	155.08	161.79	185.27	229.33
Group Indicator	154.36	162.22	186.48	191.00
Brazilian Naturals				
US	119.75	128.50	151.50	191.00
Europe	127.32	137.55	162.08	202.86
Group Indicator	125.35	135.20	159.33	199.77
Robusta				
US	93.17	101.83	106.92	115.25
Europe	86.05	94.97	99.59	108.72
Group Indicator	87.19	96.07	100.76	109.77

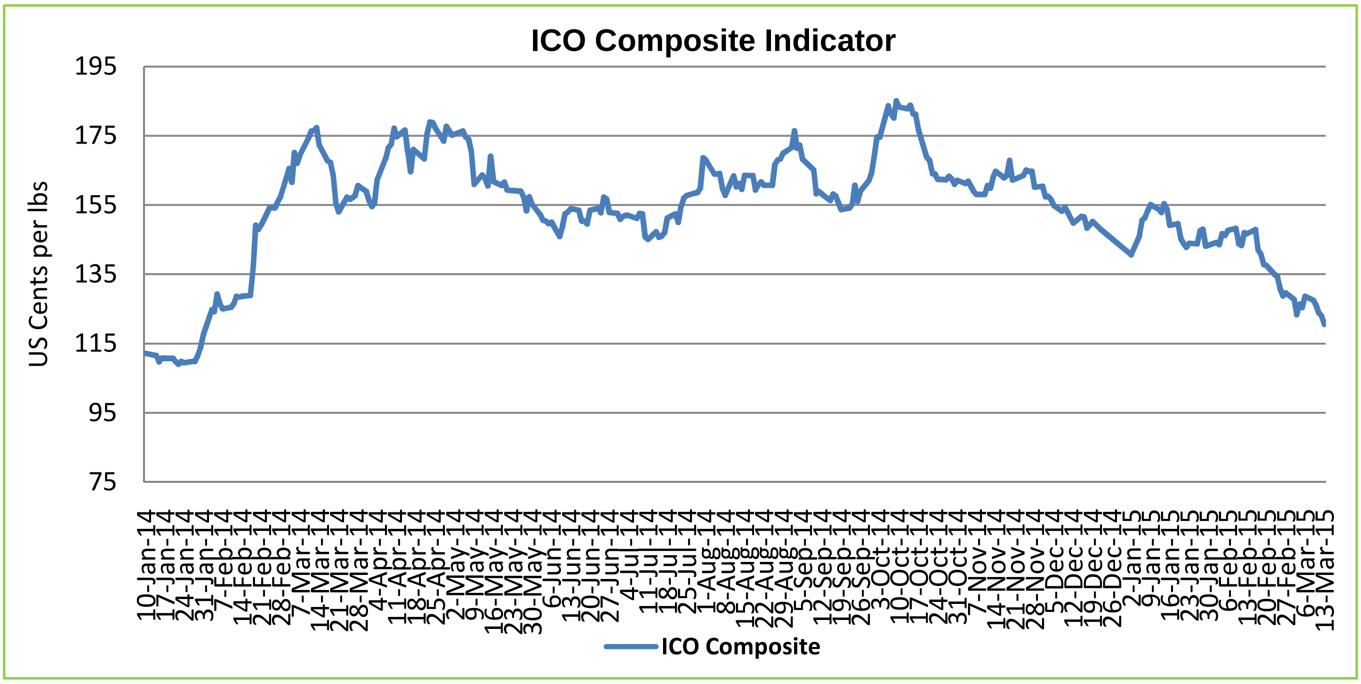
Germany Market – Hamburg and Bremen, France Market – (Le Havere and Marseilles) * Values in US cents/lb

International Coffee Indicators Chart:-

The coffee market fell sharply in February followed by improved weather in Brazil contributed to heavy selling pressure. The daily price of the ICO composite dropped from a high of 148.25 cents/lb to a low of 126.45 cents, its lowest level since mid-February 2014.

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





Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(13-Mar-2015)	Week ago (6-Mar-15)	Month Ago (13-Feb-15)	Weekly Change (%)
Mar-15	126.45	136.50	163.20	-7.36
May-15	129.80	139.90	166.50	-7.21
Jul-15	133.15	143.00	169.15	-6.88

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(13-Mar-2015)	Week ago (6-Mar-15)	Month Ago (13-Feb-15)	Weekly Change (%)
Mar-15	1686	1847	2009	-8.71
May-15	1708	1881	2036	-9.19
Jul-15	1735	1907	2057	-9.01

USC/Ib

USD/T

International Coffee Prices

	13.3.2015	6.3.2015	13.2.2015	13.3.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	37750	38750	40050	41650
Vietnam FOB (2-5 pct)* (Saigon port)	1870	1851	1937	1973
Indonesian FOB (4-80 defects)** (Lampung Port)	1840	1910	2020	2160

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

Weekly Auction Prices Of Kenya

Coffee Grade	Prices This Auction In (10/03/2015)	Average Prices In	Prices Last Auction In (03/03/2015)
Arabica AA	150-390	283.59	177-388
Arabica AB	120-321	224.26	132-302
Arabica C	79-234	185.69	120-220
Arabica PB	124-314	213.52	144-305
Arabica T	71.187	116	81-153
Arabica TT	86-274	179.87	136-210

Units in $ per 50 kg bags

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

Weekly Technical Outlook:-

- Candlestick chart shows continue falling trend of the market on sellers interests.
- Falling 14 days EMI hints further bearish phase of the market.
- On the other hand, falling volume and prices shows further weak market tone.
- RSI is decreasing at 30.04 compared to last week movement at 33.46 indicating continue fall in the next week.
- Fibonacci retracement on down wave hints first résistance level at 140.15@ 23.60% and second support at 156.43@38.20% for the upcoming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	124-139

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
116.45	122.04	126.45	140.15	156.43

US cents/Ib

COFFEE WEEKLY RESEARCH REPORT
16th March, 2015

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

Weekly Technical Outlook:-

- Candlestick chart depicts continue weak tone in the market.
- On the other hand, 14-days EMI is moving down at 1899 from 1932 of last week record indicating further a bearish phase in the market.
- Fibonacci projection level on upside wave shows second resistance level at 1938@61.80% for the week ahead.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1620-1890

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1550	1610	1686	1900	1938

USD/T