Highlights of The Week

Mixed tone were featured in Karnataka market on ups and downs in demand and supply during this week ended as on 30th March 2015. Total quantity of 246623 kgs was on offer including 94159 kgs of Arabica coffee and 152464 kgs of Robusta coffee where 33000 kgs was sold at the auction which is held on the 26th March 2015. A and AA grade of new season remained unsold as sellers price expectation were higher than the buyers interest. On the other hand, Arabica Cherry, Robusta Parchment and Robusta Cherry BBB were higher by Rs.50 to 200 per 50 Kgs when compared to the previous auction sale date.

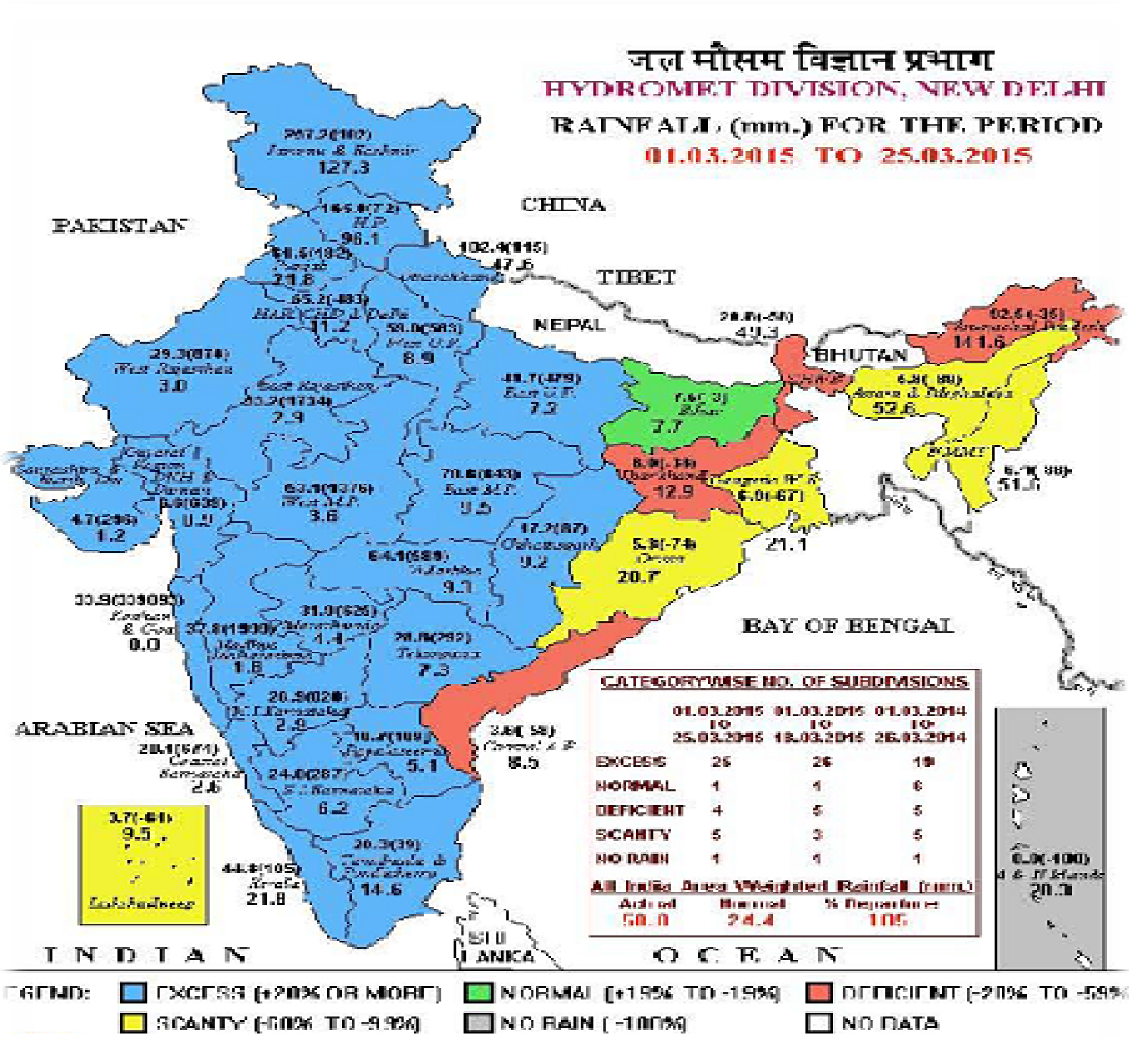
In view of Indian traders, India produces mainly Robusta crop which contributes 65% of total coffee production and rest 35% of Arabica crops which may damage easily if there would be even a little bit adverse weather condition. Arabica crops usually suffer with white steam borer disease and lower international demand due to its mild taste. While, Robusta crop need more filter as a result demand is lower in India against global demand. India is the main buyer for Arabica coffee while Robusta crops are exporting mainly in European countries, Russia where the weather is too cold.

As per DGCIS report, India has received total coffee exports revenue around Rs. 487.85 crore which is in USD 78.64 million in February 2015 higher by 3.48% in Rs. and 3.8% in USD respectively against Rs. 369.57 crore and USD 59.54 million respectively in previous year during the same month. It stood at Rs.3759.46 crore and the value in USD at 618.79 million since April-2014 to Jan-2015 up by 2.02 in Rs. and 0.17% when the value is counting in USD against last year revenue i.e. Rs.3685.20 crore and in USD 617.77 million in corresponding period of time.

As per INTL FCS tone forecast, coffee production of Brazil in 2015 is likely to stand around 44 million to 45.5 million bags, down from 48 million to 49 million bags in last year followed by Arabica output at 32.5 million to 33.5 million bags and Robusta at 11.5 million to 12million bags. On the hand, German coffee trader Neumann keeps Brazil coffee crop output higher at 45.3 million bags for 2015/16 season from its previous given forecast i.e. 45 million bags in August 2014. Brazil will commence its coffee harvesting in May 2015. He kept 2014/15 coffee crop size at 47.7 million bags. While, other sources like Ecom expects Brazil's crop production higher at 49 million bags followed by 32 million bags of Arabica crop and 17 million bags of Robusta crop for 2015/16 season.

Weather Updates of India

Below Map shows weekly rainfall scenario of India:- (Source-IMD)



- Rainfall was excess/normal in 26, deficient/scanty in 9 and no rain in 1 out of 36 meteorological sub-divisions. (All India Actual: 50.0 mm, Normal: 24.4 mm and Departure: +105).
- Heat wave condition would prevail at isolated places over southwest Madhya Pradesh and Konkan & Goa as on 26th March 2015.
- Heavy rain/thundershower would occur at isolated places over Jammu & Kashmir and Himachal Pradesh as on 30th March 2015.

Exports and Imports of India

Provisional Indian green coffee exports is registered down by 27.03% to 57026 metric tonnes from 1st January 2015 to 20th March 2015 as compared to 78160 metric tonnes of previous year exports during the same period of time. India re-exports maximum Instant type of coffee and recorded at 17937 metric tonnes in this year during 1st January 2015 to 20th March 2015 significantly up from preceding year re-exports volume i.e. 8773 metric tonnes on higher demand due to its better quality. Total provisional exports of Arabica parchment, Arabica cherry, Robusta cherry is placed down by 49.69% to 11339, 38.24% to 3755 metric tonnes, 9.83% to 30358 metric tonnes respectively against last year exports volume i.e.20138 metric tonnes, 6080 metric tonnes, 33669 metric tonne respectively in the same period of time.

Below table shows Indian coffee exports volume in details:-

Export update: From 01st January 2015 to 20th March 2015 (in metric tonnes)

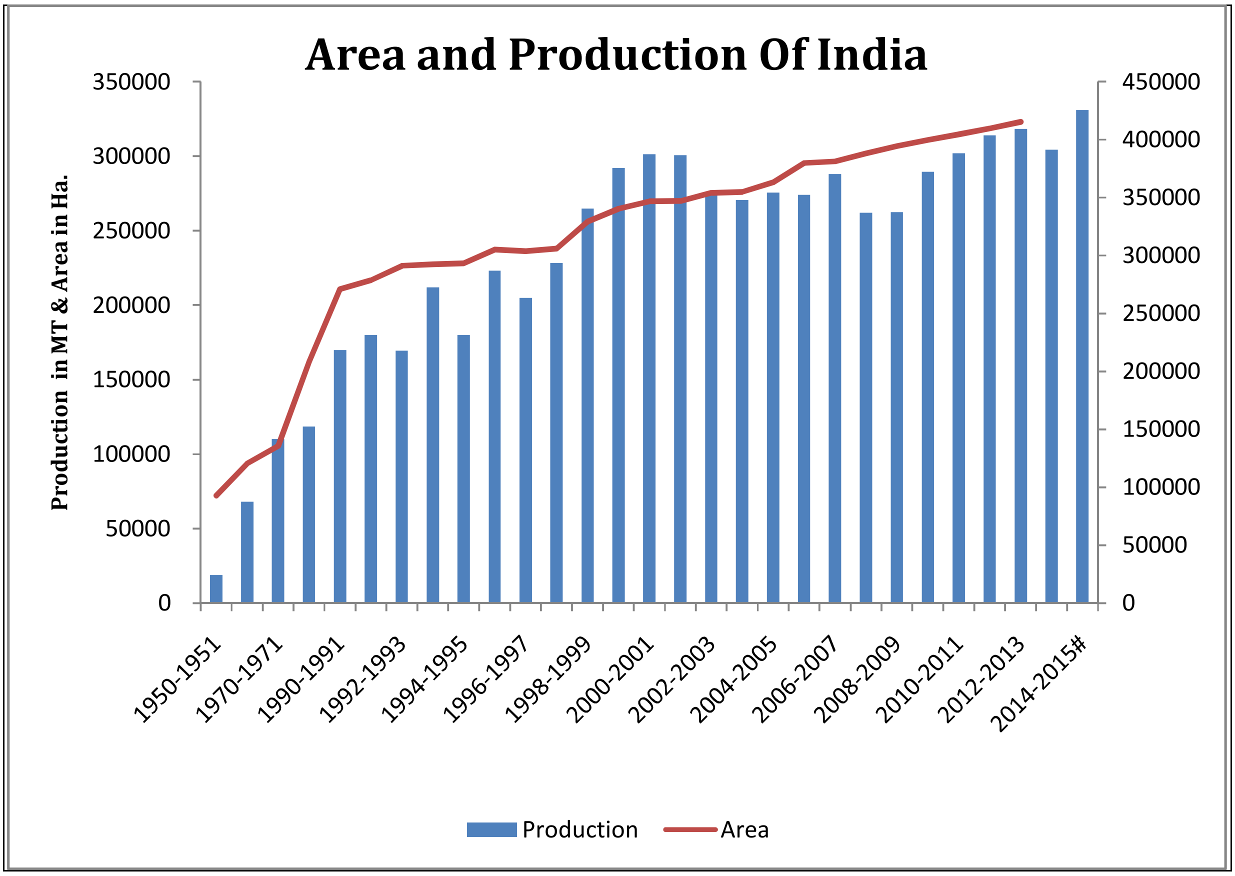
	INDIAN COFFEE	**Ar.Pmt**	**Ar.Chy**	**Rob.Pmt**	**Rob.Chy**	**Roasted seeds**	**R & G**	**Instant**	**Total**
1	Provisional exports (Indian coffee)	11339	3755	7130	30358	7	56	4380	57026
2	Provisional exports corresponding period last year	20138	6080	5490	33669	23	54	12705	78160
3	Provisional re-exports	0	0	0	0	36	22	17879	17937
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	8773	8773
5	Total provisional exports (1+3)	**11339**	**3755**	**7130**	**30358**	**43**	**78**	**22259**	**74963**
6	Total provisional exports corresponding period last year (2+4)	**20138**	**6080**	**5490**	**33669**	**23**	**54**	**21478**	**86933**

Source: The Coffee Board Of India

Domestic Balance Sheet (USDA)

According to the Coffee Board Of India, Indian coffee crop is estimated almost higher against last 64 years due to good crops prediction of Robusta crop. In 2014/15 season, Board forecasts coffee crop size at 331,000 million tonnes. Where Robusta crops is kept at 231,400 million tonnes and Arabica crops is at 99,600 million tonnes. Total planting area of next season is likely to increase by 5 to 6% in the next season. In 2012/13, coffee area is sown higher by 1.37% to 415341 hac against 409690 hac. in 201/13. Coffee area is continue increasing since 1950-51 due to rising demand.

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

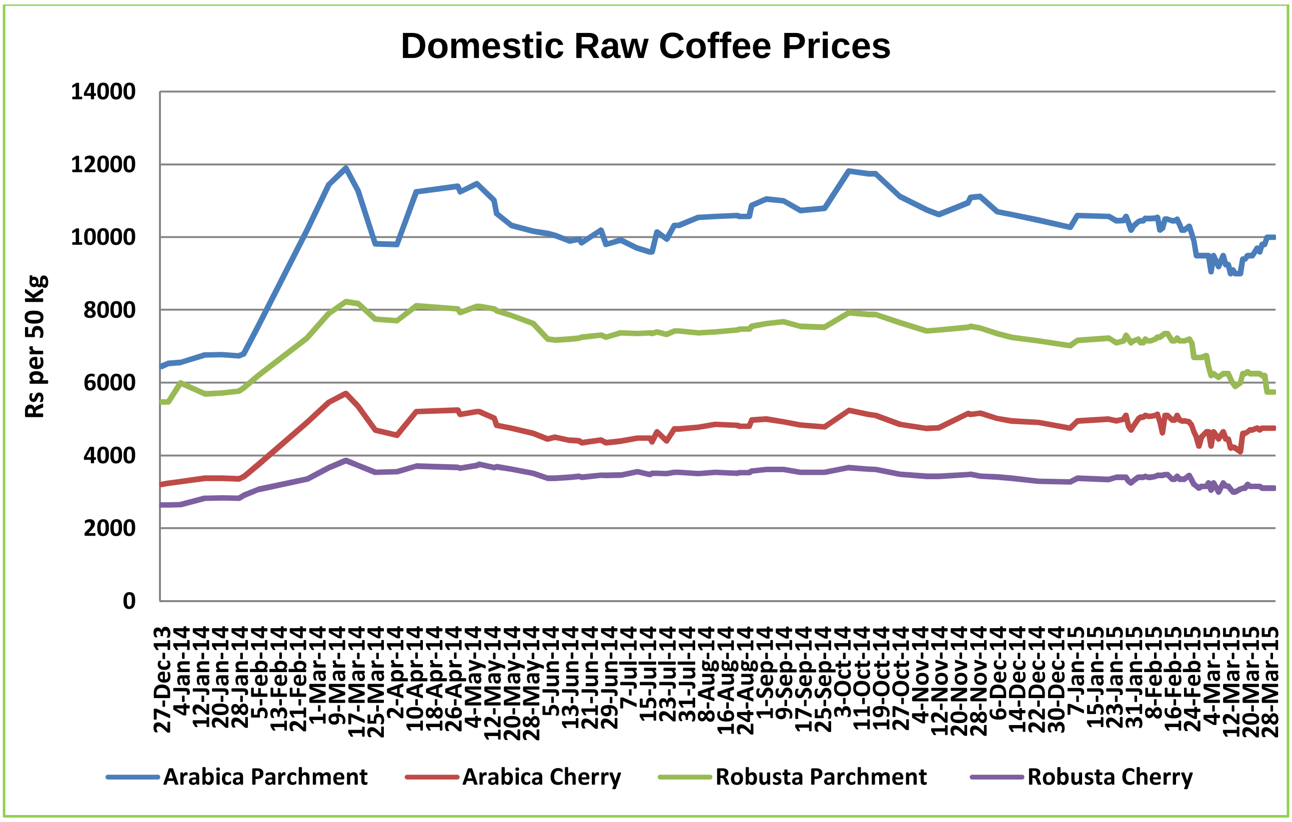


Source: USDA (* Estimate)

Coffee Prices of Auction Market & State-wise Market

Domestic coffee market prices are in mixed trend on ups and downs in demand and supply. Prices are likely to improve in April month due to better supply and demand scenario.

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	30.3.2015	23.3.2015	Change
Arabica Parchment	10000	**9700**	300
Arabica Cherry	4750	4750	Unch
Robusta Parchment	5750	6250	-500
Robusta Cherry	3100	3150	-50

*** Values in Rs per 50 Kg**

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

Grade	26.3.2015 Arabica Plantation	19.3.2015 Arabica Plantation	Change	26.3.2015 Arabica Cherry	19.3.2015 Arabica Cherry	Change
MNEB	--	--	--	--	--	--
AA	--	--	--	--	--	--
PB	12550	12900	-350	--	8400	--
A	--	13750	--	--	--	--
AB	--	--	--	--	8600	--
B	10750	--	--	--	--	--
C	9800	--	--	--	--	--
BBB	--	8200	--	6205	6500	-295
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	**Change**
RKR	--	--	--		--	--
A	--	--	--		--	--
PB	8450	--	--	6400	--	--
AA	--	8050	--		--	--
AB	8650	7950	700	6500	--	--
B	--	--	--		--	--
C	7200	--	--	6365	--	--
BBB	6550	6150	400	6200	6005	195

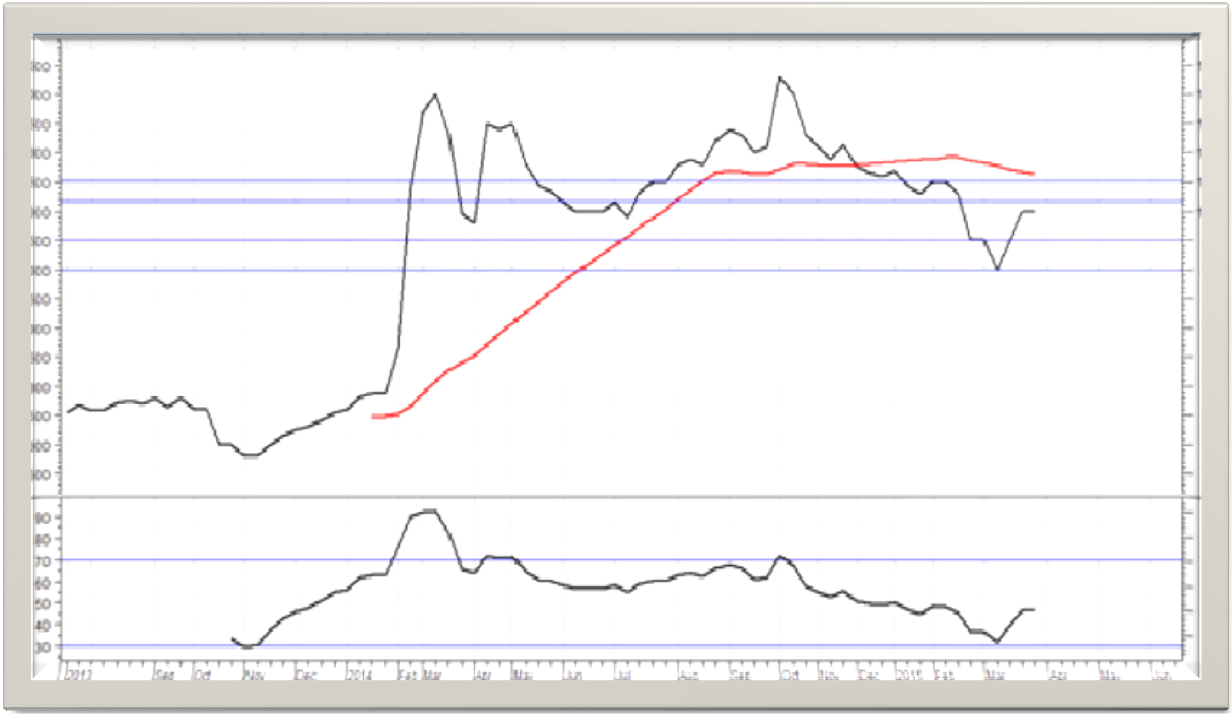
Values in Rs. per kg

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

Grade	26.3.2015 Arabica Plantation	19.3.2015 Arabica Plantation	%Change	26.3.2015 Arabica Cherry	19.3.2015 Arabica Cherry	Change
MNEB	--	--	--	--	--	--
AA	--	--	--	--	--	--
PB	--	--	--	--	9000	--
A	--	--	--	--	--	--
AB	--	--	--	--	8710	--
B	--	--	--	--	--	--
C	--	--	--	--	--	--
BBB	--	--	--	--	--	--
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	**Change**
RKR	--	--	--	--	--	--
A	--	--	--	--	--	--
PB	--	--	--	--	6250	--
AA	--	--	--	--	--	--
AB	--	--	--	--	6300	--
B	--	--	--	--	--	--
C	--	--	--	--	6150	--
BBB	--	--	--	--	--	--

Values in Rs. per 50kg.

Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market



Weekly Technical Outlook:-

- Above chart shows sideways momentum in the market.
- RSI is moving in neutral region at 46.74 in this week hints remain sideways trend in the market.
- Simple moving average shows sideways to downtrend of the market in the next week.
- We expect prices to trade remain steady to down zone in the next week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	9491-10155

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
8981	9490	10000	10156	10509

Units in Rs./50 kg.

International Market Updates:

Weekly Futures Review -
ICE Arabica coffee future prices of May contract fell down by 2.57% to 138.20 from 141.85 USC cents per Ib during this week as speculators increased their short positions in Arabica coffee by 2761 contracts to 13,366 against last week . While Robusta coffee prices declined by 2.75 to 1763 USD/T against 1813 USD/T of previous week. As per exchange data, Robusta coffee speculators cut their net long position by 914 lots to 11,572 lots.

Brazil:-As per Cooxupe, the world largest coffee co-operative have booked 139 million reais ($43 million) in profit in 2014 after an significant increase in coffee prices. They received profit around 31.5% higher to 2.5 million reais despite one of Brazil's worst-ever droughts as traders did not sell their holding stocks when prices were low in 2013 and then selling when prices went up in 2014. Further, they may book around 2.9 million reais in 2015 end.

As per Brazil's crop agency Conab, Brazilian government could not get success to attract bidders for coffee on auction from federal stocks as on 25th March 2015. However, new auction procedure will be again held to sell just over 40,800 bags of older Arabica beans after quoting minimum prices.

Vietnam:- As per government, Vietnam may export about 130,000 tonnes or 2.17 million bags in March end 2015 which is down by 52.6% from a year ago. While, traders keeps coffee exports forecast in between 90,00- 110,000 tonnes for March month 2015 as high domestic prices sent exporters' offers beyond foreign buyers reach,. As on date, Vietnam exported total 649,600 tonnes or 8.66 million bags in this crop year (Oct-2014-Sep 2015) with a decline of 25.5% against preceding year as revealed by the General Statistics Office.

Others:-

- According to Tanzania Coffee Board, average coffee prices of top grade went up at last week 's auction on the back of declining supplies against good demand. Total 5297 bags were offered at the latest sale from 9578 bags offered at the last auction on March 05,2015.

- As per USDA data, farmers in Indonesia may produce coffee crops higher by 18% to 650,000 metric tonnes from 550,000 tons a year ago which will support to global supplies. Indonesia is the third largest producers of Robusta variety and will harvest this season crop from April 2015 after rain boosted yields. While, coffee production of Indonesia is estimated upside to 12.3 million bags against 9.3 million bags in the preceding year as stated by Rabobank International. On the other side, Volcafe expects coffee production to rise at 10.9 million bags in 2015/16 season.

Indonesia's Coffee Output May Touch Higher level At 10.9 million Bags In 2015/16

Coffee Exports Details Of The World

Below table shows the estimates for coffee output (in million bags 60 kg bags) :-

Source	Date Issued	2014/15	2015/16	Robusta	Arabica	Global Production Forecast 2014/15	Supply/Demand 2014/15
INTL FC stone	March 25	48-49	44-45.5	11.5-12	32.5-33.5		
Neumann			45.3				
Ecom	March	54.6	49.75	17.7	32		
CNC/Procafe	13-Mar-15		40.3-43.25	10.3-11.1	30-32.15		
Volcafe	19-Feb-15	47	49.5	16.5	33	142.2	-8.9
Terra Forte	13-Feb-15	46.78	47.28	15.2	32.05		
Olam	12-Feb-15		49				
IBGE Statistics Institute	12-Feb-15		43.9	11.7	32.2		
Conab	13-Jan-15		44.1-46.6	11.6-12.2	32.5-34.4		
Conab	22-Dec-15	45.3		13.03	32.3		
USDA	19-Dec-14	51.2		17	34.2	149.8	
Volcafe	17-Dec-14		49.5	16.5	33		
Ecom	15-Dec-14	55	50				
ICO	11-Dec-14					141	-0.8
Citi Research	1-Dec-14		44.7				
Ranobank	1-Dec-14		42-47			144.4	-5.1
Spciete Generale	25-Nov-14					148.4	1.2
Volcafe	21-Nov-14	47				141.5	-10
USDA attach	14-Nov-14	51.2		17	34.2		
Comexin	13-Nov-14		44-47	16	28-31		
Rabobank	28-Oct-14	47	47	17	30		
F.O.Licht	26-Sep-15	46	43				
Conab	16-Sep-15	44.14	48.83	13.03	32.11		
Neumann	26-Aug-15		45				
Abic.	26-Aug-15	45-47					
Spciete Generale	25-Nov-14					148.4	1.2
Volcafe	21-Nov-14	47				141.5	-10
USDA attach	14-Nov-14	51.2		17	34.2		
Comexin	13-Nov-14		44-47	16	28-31		
Rabobank	28-Oct-14	47	47	17	30		
F.O.Licht	26-Sep-15	46	43				
Conab	16-Sep-15	44.14	48.83	13.03	32.11		
Neumann	26-Aug-15		45				
Abic.	26-Aug-15	45-47					

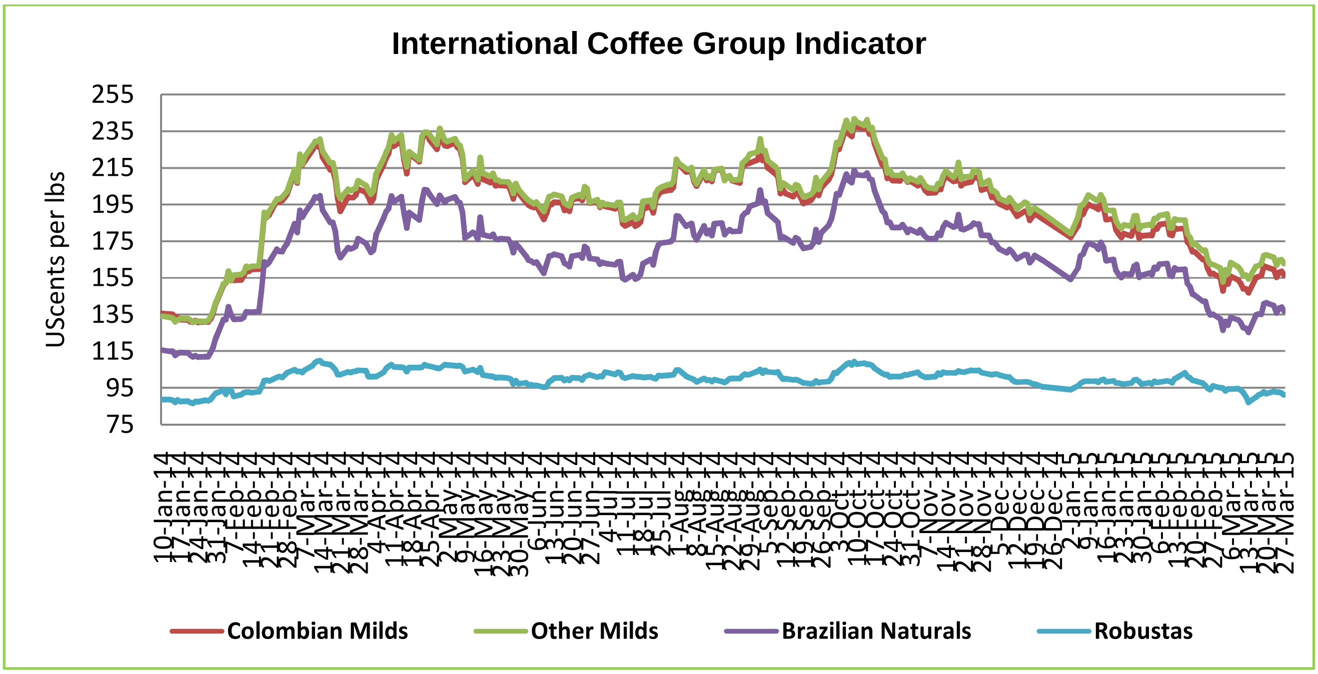
Source: Reuters

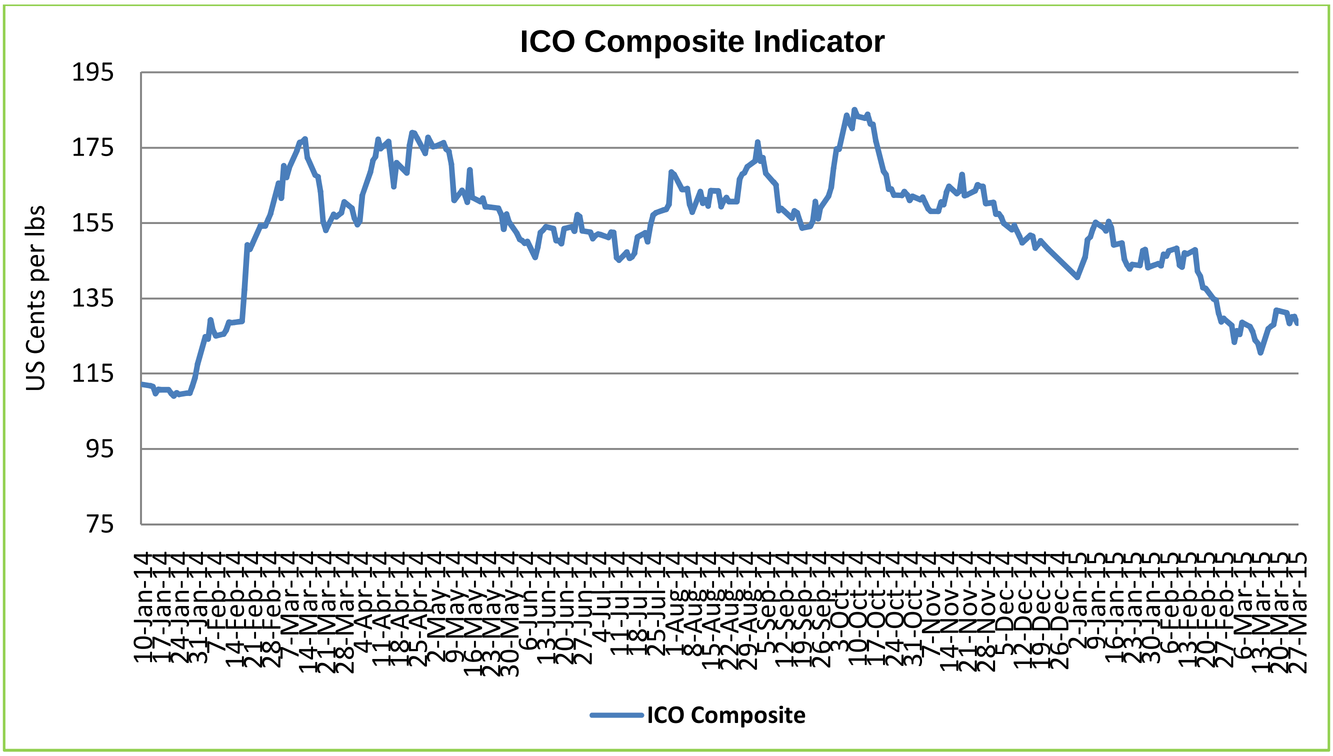
International Coffee Price Trend

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**27.3.2015**	**20.3.2015**	**27.2.2015**	**27.3.2014**
ICO Composite Indicator	128.39	131.59	129.6	157.71
Colombian Milds				
US	153.25	158.25	155.5	202.25
Europe	160.21	164.20	159.62	197.28
Group Indicator	156.45	160.99	157.39	199.96
Other Milds				
US	161.19	166.19	162.94	205.5
Europe	163.84	168.31	161.79	202.63
Group Indicator	162.83	167.50	162.22	203.72
Brazilian Naturals				
US	130.25	136.25	128.5	164.75
Europe	139.18	143.18	137.55	174.78
Group Indicator	136.85	141.38	135.2	172.17
Robusta				
US	97.00	98.50	101.83	110.17
Europe	90.01	90.59	94.97	102.88
Group Indicator	91.13	91.86	96.07	104.01

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

International Coffee Indicators Chart:-





Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	**Today(27-Mar-2015)**	**Week ago (20-Mar-15)**	**Month Ago (27-Feb-15)**	**Weekly Change (%)**
May-15	138.20	143.35	140.50	**-3.59**
Jul-15	141.50	146.65	143.50	**-3.51**
Sep-15	144.45	149.65	146.25	**-3.47**

Liffe Robusta Coffee Futures Prices				
Contract Months	**Today(27-Mar-2015)**	**Week ago (20-Mar-15)**	**Month Ago (27-Feb-15)**	**Weekly Change (%)**
May-15	1788	1820	1907	**-1.75**
Jul-15	1816	1846	1929	**-1.62**
Sep-15	1843	1873	1953	**-1.60**

USC/Ib

USD/T

International Coffee Prices

	27.3.2015	**20.3.2015**	**27.2.2015**	**27.3.2014**
Vietnam (Robusta Beans Spot) (Dong/Kg)	38900	38400	38600	39550
Vietnam FOB (2-5 pct)* (Saigon port)	1899	1845	1851	2079
Indonesian FOB (4-80 defects)** (Lampung Port)	1890	1890	1940	2040

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

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	**Prices This Auction In (24/02/2015)**	**Average Prices In**	**Prices Last Auction In (17/02/2015)**
Arabica AA	90-308	248.85	164-438
Arabica AB	91-272	216.58	128-354
Arabica C	91-221	190.03	112-236
Arabica PB	130-287	212.84	116-299
Arabica T	68-164	129.41	76-183
Arabica TT	111-222	188.38	89-240

Units in $ per 50 kg bags

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

Weekly Technical Outlook:-

- Candlestick chart shows declining phase in the market on sellers interests.
- However, falling 14 days EMI hints further lower trend of the market.
- Relatively, RSI is up at 38.58 compared to last week movement at 40.41 indicating towards a lower trend in the next week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	131-146

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
124.97	130.96	138.2	147.93	157.81

US cents/Ib

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

Weekly Technical Outlook:-

- Candlestick chart shows a down phase of the market.
- On the other hand, 14-days EMI is moving down at 1875 from 1885 of last week record indicating further a bearish phase in the market.
- Prices are likely to trade in sideways to upside in the next week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1738-1837

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1666	1737	1763	1838	1940

USD/T