

### Highlights of The Week

**Firm tone witnessed in Karnataka market after fresh buying activities by the roaster and exporters** during this week ended as on 13th April 2015. Enquiry from the exporters were only on Arabica Plantation Premium Coffees on offer. Domestic Roaster were active on good quality Arabica Coffees on offer. Arabica Cherry coffees received enquiry from all sections of Domestic Trade. Old Season coffees received selective enquiry from all sections of Domestic Trade. Total quantity of 271576 kgs was on offer including 119626 kgs of Arabica coffee and 151950 kgs of Robusta coffee where 40000 kgs was sold at the auction which is held on the 9th April 2015. B and C grade price of new season were higher by Rs.50 to 100 per 50 Kgs. Robusta Cherry coffees on offer remained unsold as sellers price expectation were higher than the buyers interest.

**According to the recently released data by the Coffee Board Of India, total Indian coffee exports** is registered lower by 13.25% to 84734.49 MT during 1st January to March 31st 2015 against 97683.86 MT last year during the same period of time due to higher exports offering prices than domestic market prices. Total re-exports volume stood significantly higher by 79.94% to 20984.54 MT from 11661.79 MT from 1st January 2015 to 31st March 2015 supported by higher demand from Russian Federation country. Italy, German, Turkey, Russian federation and Belgium were the main buyers with the volume 20118.28 MT, 7523.76 MT, 5700.29 MT, 5397.38 MT and 3732.16 MT respectively in the same period of time as above mentioned.

**As per Neumann recent forecast in March, Global coffee production is expected to touch the level** of 141.9 million bags for 2014-15. They mentioned Brazil coffee output for 2014-15 at 47.9 million bags and 45.3 million bags for 2015-16. While, other sources like Volcafe expects total global output at 142.2 million bags for the year 2014-15 which is lower than the estimates of USDA i.e. 149.8 million bags. Source like Wolthers -Dou keeps Brazil coffee production at 44.21 million bags for 2014/15 and 45.9 million bags for 2015/16 followed by 11.4 million bags of Robusta crops and 34.2 million bags of Arabica crops.

**According to the local Coffee Export Association Cecafe, total green coffee exports of Brazil** is recorded at 2.74 million bags in March 2015 lower from 2.53 million bags in February 2015. While, the coffee exports of Honduras which is the top producer of Central America inched up by 46.4% to 901,311 60 kg bags in March 2015 against last year record. Exports during the first six months of the current 2014/2015 harvesting season totaled 2.56 million bags, up nearly 30 percent compared with the 1.98 million bags shipped during the same six-month period in the previous 2013/2014 season. Honduras is likely to export up at 4.8 million bags this season from 4.1 million bags during the 2013/14 cycle.

**Exports and Imports of India**

Below table shows Indian coffee exports volume details:-

FROM 1st January 2015 TO March 31,2015									
S. No.		AR.PMT	AR.CHY	ROB.PMT	ROB.CHY	R.SEEDS	R & G	INSTANT	TOTAL
1	INDIAN COFFEE	12268.230	4013.860	7973.860	33866.390	7.650	84.400	5535.560	63749.950
2	Corresponding Period of Previous Year	22388.920	6598.660	6170.590	37328.410	23.430	56.520	13455.540	86022.070
3	RE-exports	0.000	0.000	0.000	0.000	36.480	26.580	20921.480	20984.540
4	Re-exports during Corresponding Period of time last Year	0.000	0.000	0.000	0.000	0.000	0.000	11661.790	11661.790
	TOTAL (1+3)	12268.230	4013.860	7973.860	33866.390	44.130	110.980	26457.040	84734.490
	TOTAL (2+4)	22388.920	6598.660	6170.590	37328.410	23.430	56.520	25117.330	97683.860

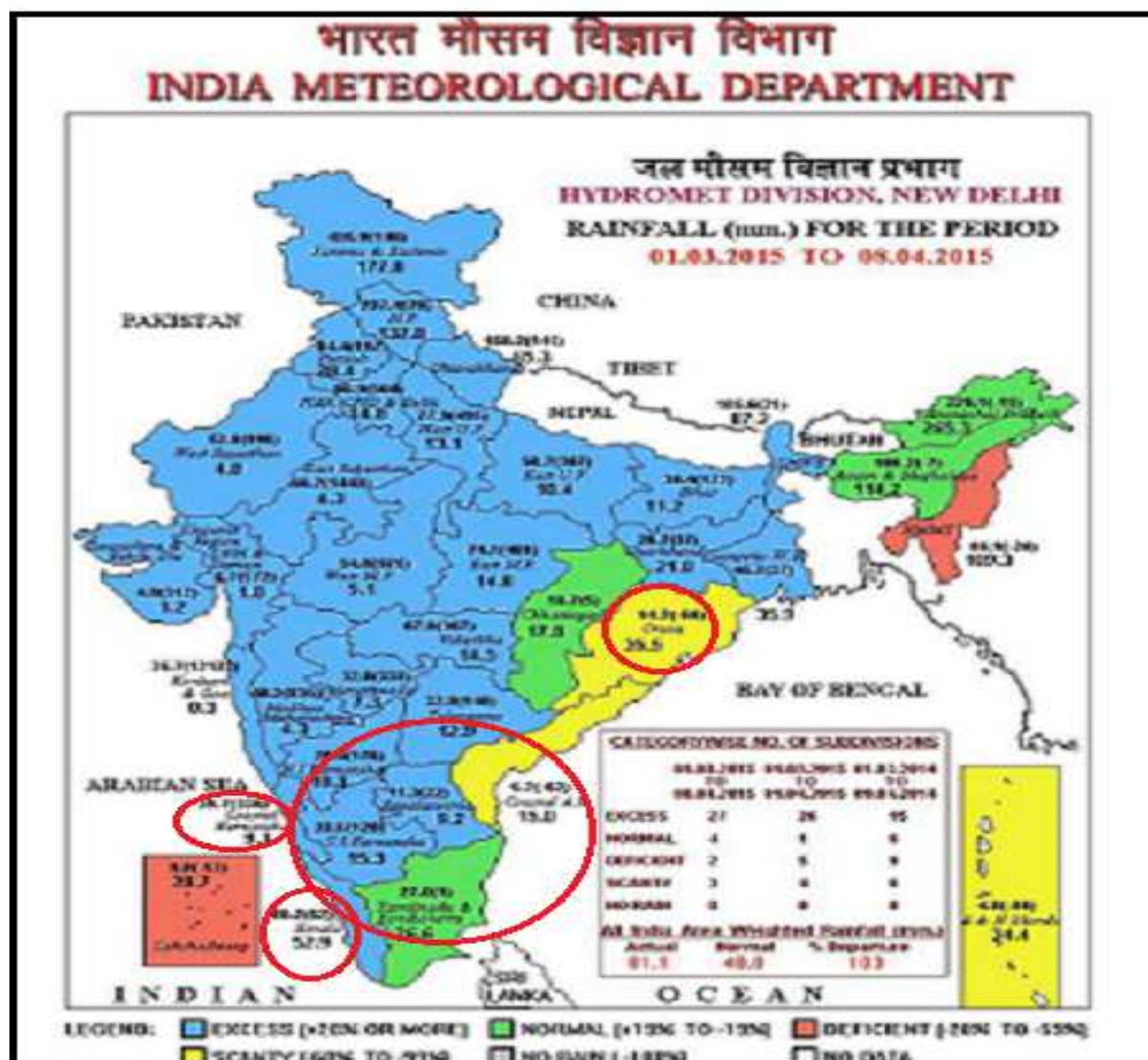
**COUNTRY WISE EXPORT OF COFFEE DURING 01/01/2015 to 31/03/2015 (Both Indian And Re-exported Coffee) (Provisional And Based on export Permits)**

NAME OF THE COUNTRY	ARABICA	ROBUSTA	INSTANT (GBE)	ROASTED (GBE)	TOTAL
ITALY	4334.160	15618.940	126.100	39.080	20118.280
GERMANY	1485.500	5485.440	552.820	0.000	7523.760
TURKEY	15.000	78.300	5606.991	0.000	5700.291
RUSSIAN FEDERATION	237.600	404.200	4755.581	0.000	5397.381
BELGIUM	1732.500	1935.900	63.700	0.061	3732.161
JORDAN	1788.600	998.400	0.000	0.000	2787.000
LIBYA	0.000	2187.000	0.000	0.000	2187.000
SLOVENIA	0.000	2159.400	0.000	0.000	2159.400
KUWAIT	1350.850	577.600	0.000	1.856	1930.306
MALAYSIA	0.000	0.000	1859.386	0.292	1859.678
OTHERS	5337.876	12395.070	13492.463	113.818	31339.227
TOTAL	16282.086	41840.250	26457.041	155.107	84734.484

Source: The Coffee Board Of India (Quantity in MT)

**Weather Updates**

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



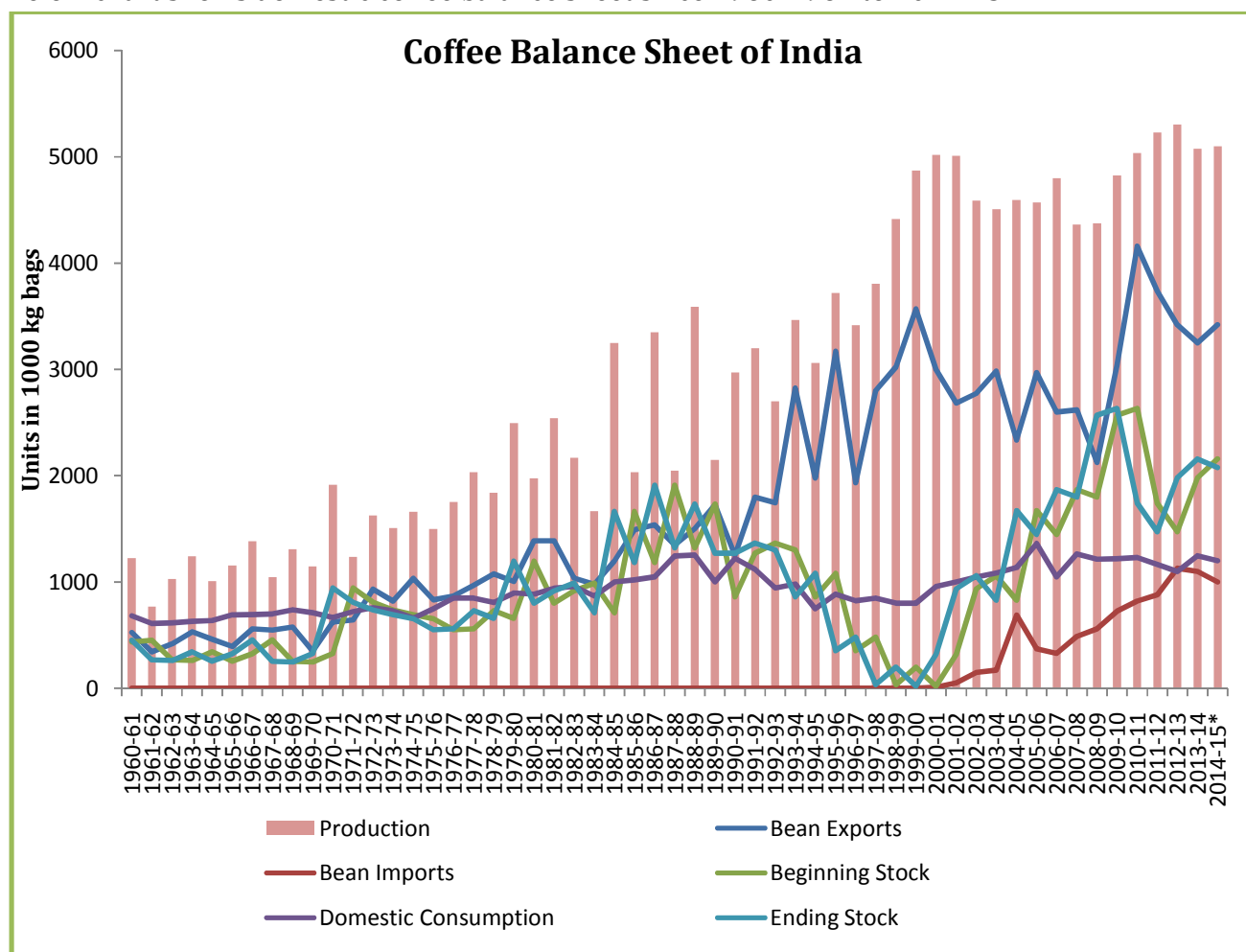
Circle means the Coffee Growing Belts of India

- An upper air cyclonic circulation lies over north Konkan & adjoining Gujarat region and extends up to 1.5 km above mean sea level.
- A wind discontinuity runs from Telangana to Kerala across interior Karnataka and extends upto 0.9 km above mean Sea level.
- A trough ran from Rayalaseema to Comorin area extending upto 0.9 km above mean sea level on 3rd; from Rayalaseema to Kerala on 4th; from Telangana to Comorin area across Interior Tamilnadu on 5th and from Telangana to Lakshadweep area across Interior Karnataka on 6th . Thereafter, it was seen as wind discontinuity from Telangana to south Tamilnadu across Interior Karnataka at 1.5 km above mean Sea level on 7th and persisted over same region and extended upto 1.5 km above mean Sea level on 8th .

### Domestic Crops Condition and Production

USDA expects a slight higher crop size in 2014/15 against 2013/14 coffee output and lower from 2012/13 record. Arabica coffee production estimate for 2014/15 is kept significantly down by 17.79% to 1400 thousands kg bags compared to 1703 thousands kg bags in the last marketing season on adverse weather condition in India however Robusta coffee crops is placed up by 9.72% to 3700 thousands kg bags against previous year in expectation of good crops yield. Indian coffee crop size touched its highest level in 2012/13 supported by the favorable weather condition. Ending stock may decline by 3.70% to 2077 thousands kg bags in the current marketing season as compare to last year record i.e. 2157 thousands kg bags.

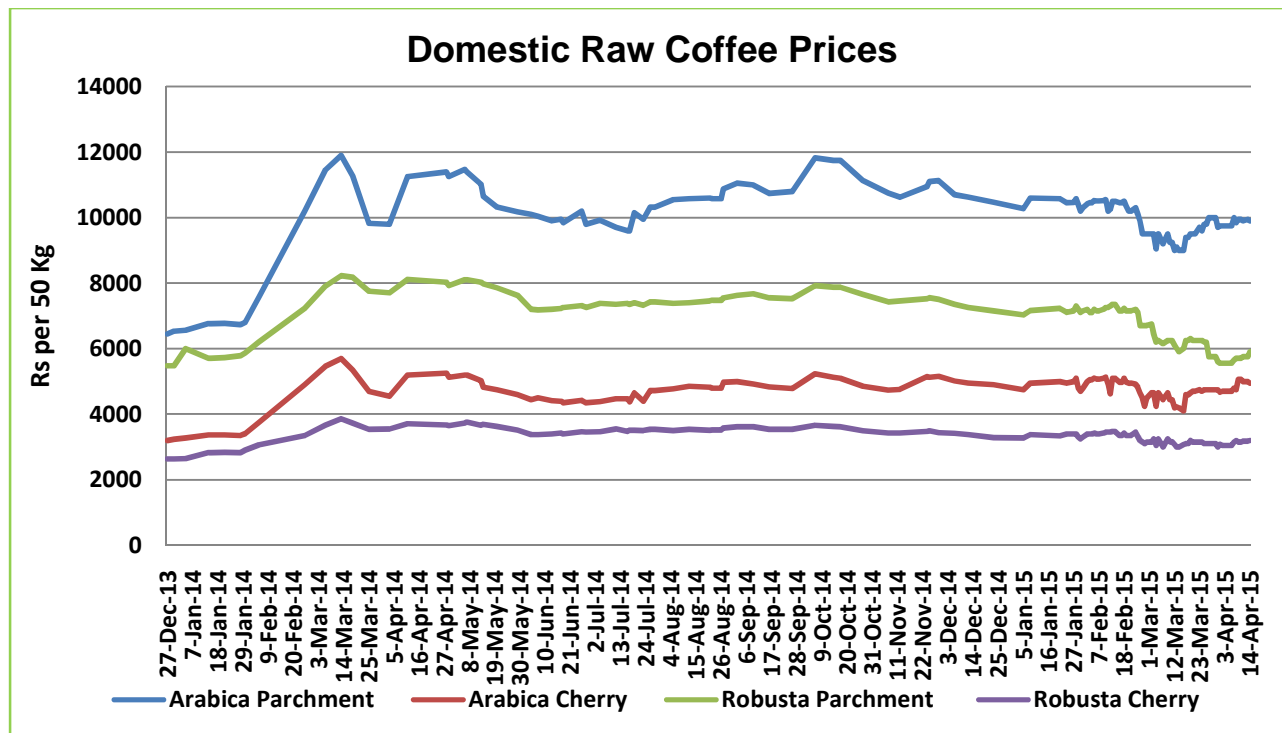
Below chart shows domestic coffee balance sheet since 1960-1961 to 2014-15:-



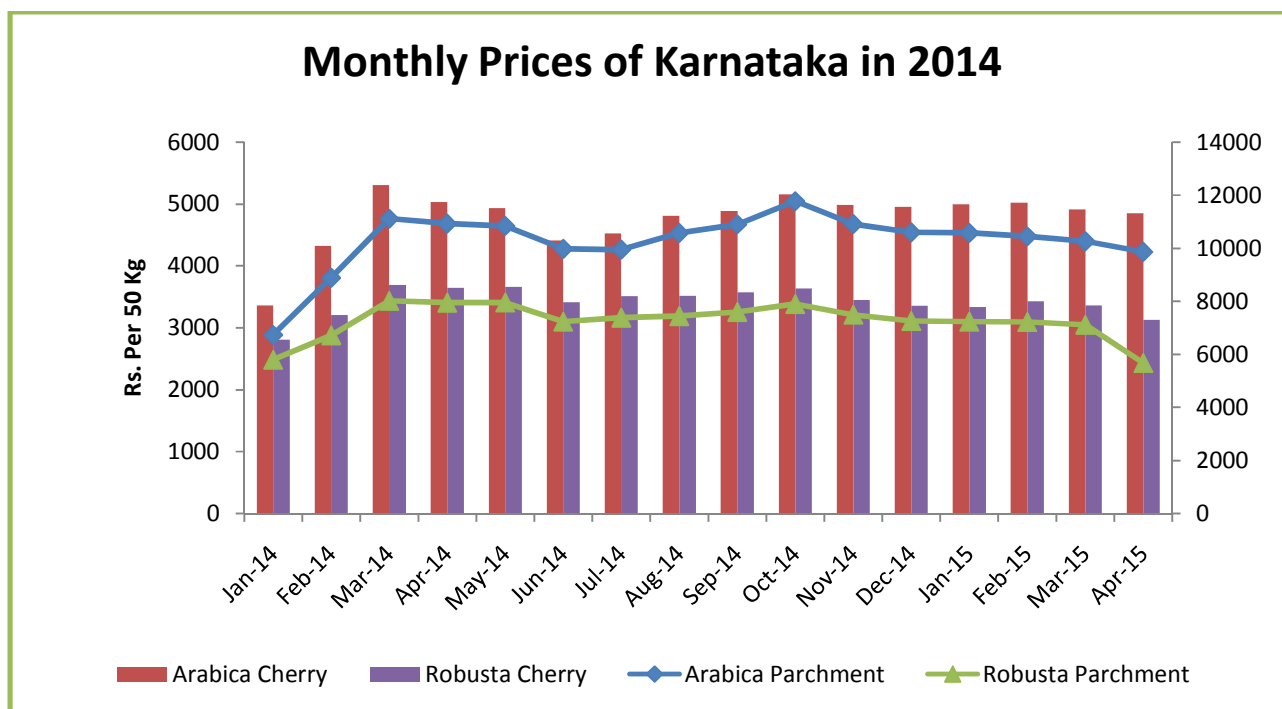
Source: USDA

**Coffee Prices of Auction Market & State-wise Market**

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



Source: The Coffee Board Of India



Source: The coffee Board of India

**Domestic Raw Coffee Prices (Karnataka):**

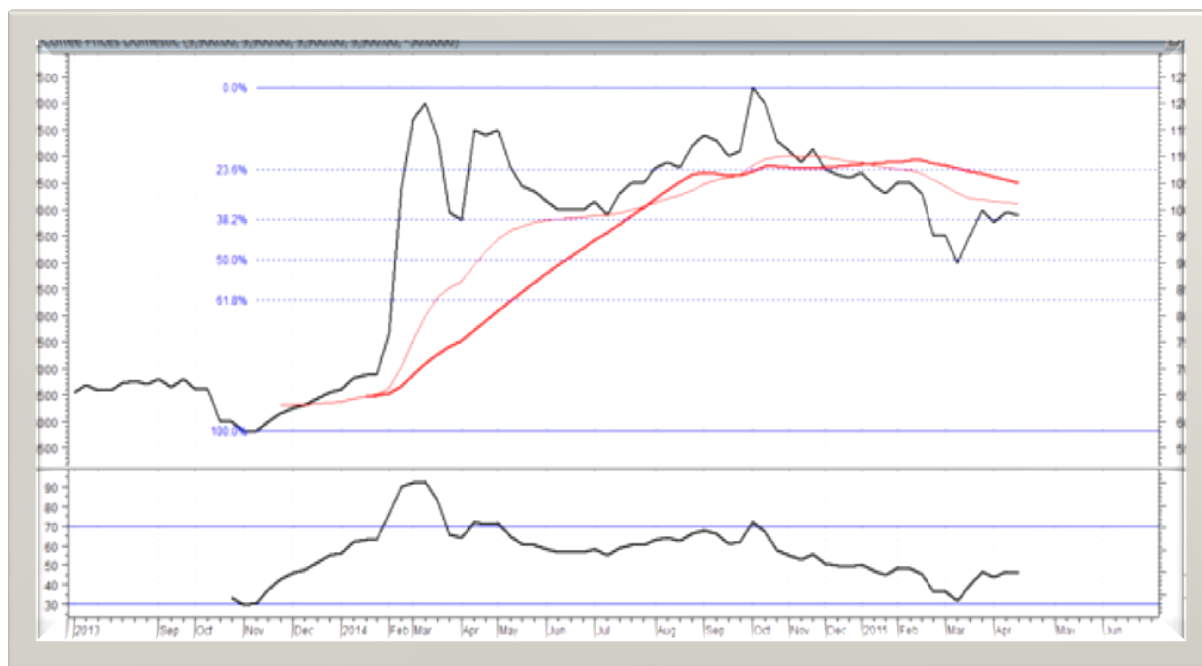
Variety	13.4.2015	6.4.2015	Change
Arabica Parchment	9950	9750	200
Arabica Cherry	5000	4700	300
Robusta Parchment	5750	5550	200
Robusta Cherry	3175	3050	125

\* Values in Rs per 50 Kg

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

Grade	13.4.2015	6.4.2015	Change	13.4.2015	6.4.2015	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	--	--	--	--	--	--
AA	--	--	--	--	--	--
PB	252.16	--	--	--	--	--
A	275.00	--	--	--	--	--
AB	--	--	--	178.50	--	--
B	216.6	--	--	--	--	--
C	197.00	--	--	141.00	--	--
BBB	145.50	--	--	124.00	--	--
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	Change
RKR	154.00	--	--	--	--	--
A	--	--	--	--	--	--
PB	145.5	--	--	--	--	--
AA	--	--	--	--	--	--
AB	148.00	--	--	--	--	--
B	--	--	--	--	--	--
C	--	--	--	--	--	--
BBB	122.00	--	--	--	--	--

Values in Rs. per kg

**Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market**

**Weekly Technical Outlook:-**

- Above chart illustrates uptrend in the market during this week.
- RSI is moving in neutral region at 46.10 in this week against 44.03 hints further sideways to bullish trend of the market.
- However, simple moving average supports towards falling zone of the market in week ahead.
- We may see a range bound prices trend in upcoming days.

**Expected Price Range During Coming Week**

<b><u>Expected Trend</u></b>	<b><u>Expected Trading Band</u></b>
<b><u>Range-bound to Bearish Momentum</u></b>	<b>9500-10200</b>

Units in Rs./50 kg.

**Expected Support and Resistance**

<b>S2</b>	<b>S1</b>	<b>PCP</b>	<b>R1</b>	<b>R2</b>
8981	9490	9900	10215	10783

Units in Rs./50 kg.

### International Market Updates:

#### Weekly Futures Review -

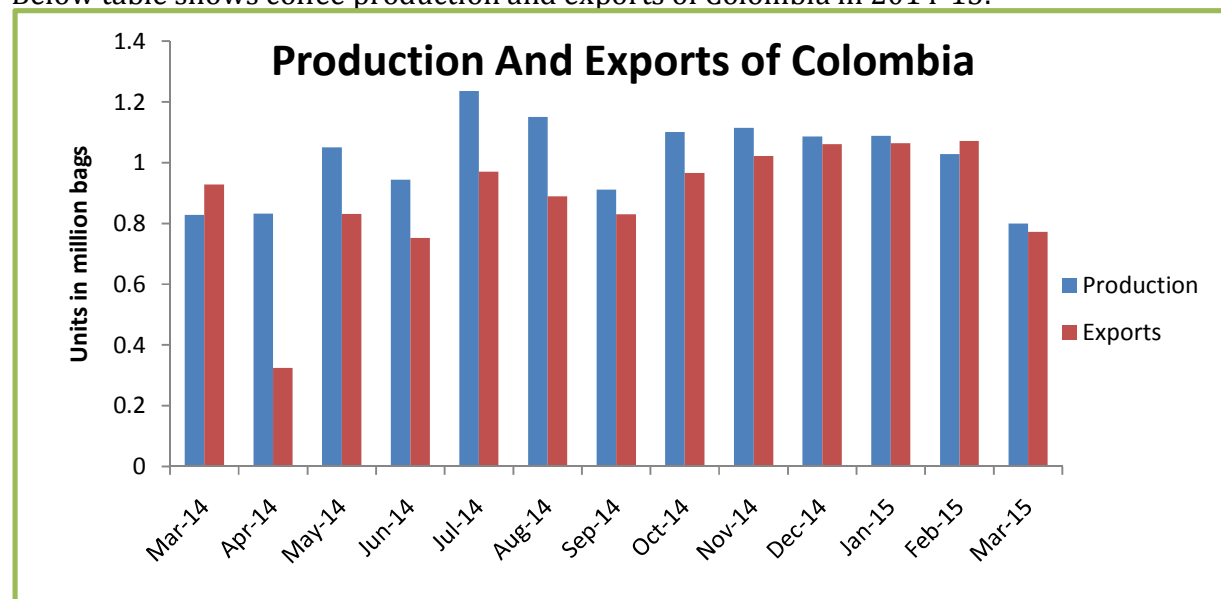
ICE Arabica coffee future prices of May contract declined by 4.11% to 135.10 USC cents per lb from 140.90 USC cents per lb on account of selling activities in the market during this week.

**Vietnam:-** In the view of traders, Vietnam is likely to export between 60,000 and 110,000 tonnes ( 1.0 million and 1.83 million bags) in the holiday- shortened April which is down from earlier estimates i.e. 130,000 tonnes in the last month. All the markets in Vietnam will be closed for public holidays starting from April 28 to May 1,2015 and trading will restart on May 4,2015.

- Farmers are remain not interested to sell their crops at the prevailing prices which is making hard for exporters to secure supplies for shipments further.
- The Central Highlands region is facing water shortages at the peak of the dry season and rain is forecast to return only in late May at the earliest, about two weeks later than usual.
- In view of traders, coffee crop output in 2015/2016 of Vietnam could drop due to the dry weather and less care by growers.

**Colombia:** According to the National Coffee Growers' Federation, total production of washed Arabica coffee is estimated near 800,000 (60-kg bags) in Colombia during the month of March 2015 with a decline of 3% against previous year estimates. While, coffee production of 12th Months (April 2014 to March 2015) is estimated higher by 8% at 12.3 million bags supported by the widespread replanting of tress in the last several years with varieties resistance to roya fungus. On the other hand, coffee exports decreased by 17% to 772,000 bags on account of truckers' strike as compared to previous year exports volume i.e.928,000 bags in the same month.

Below table shows coffee production and exports of Colombia in 2014-15:-



Source: Reuter

**Coffee Exports Details Of The World**

Below table shows estimates of the coffee output for Brazil and World (In million of Bags) :-

Source	Date Issued	2014/15	2015/16	Robusta	Arabica	Global Production Forecast 2014/15	Supply/Demand 2014/15
Wolthers-Dueque	9-Apr-15	44.21	45.9	11.4	34.2		
Comexim	1-Apr-15	49.35	48.6	13.65	34.95		
Coex	31-Mar-15	47.5	45.08				
INTL FC Stone	25-Mar-15	48-49	44-45.5	11.5-12	32.5-33.5		
Neumann	March	47.9	45.3			141.9	-6.8
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
Spicete Generale	25-Nov-14					148.4	1.2
Volcafe	21-Nov-14	47				141.5	-10

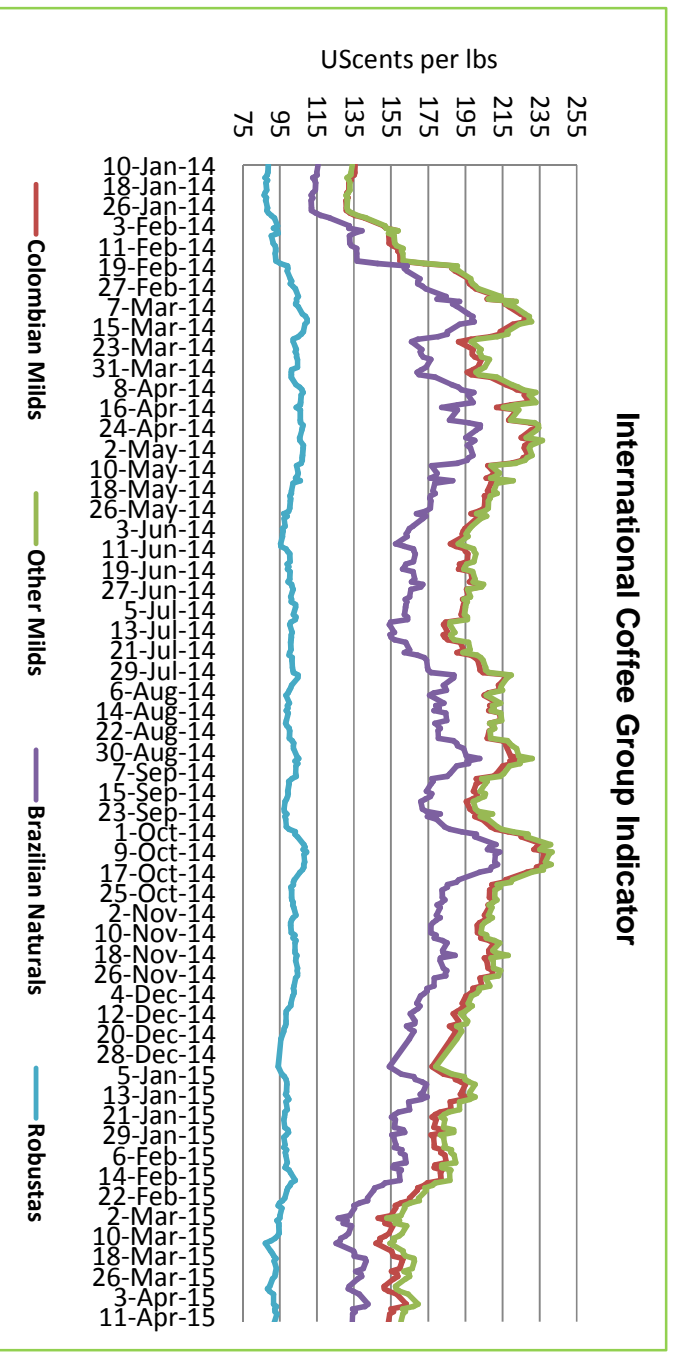
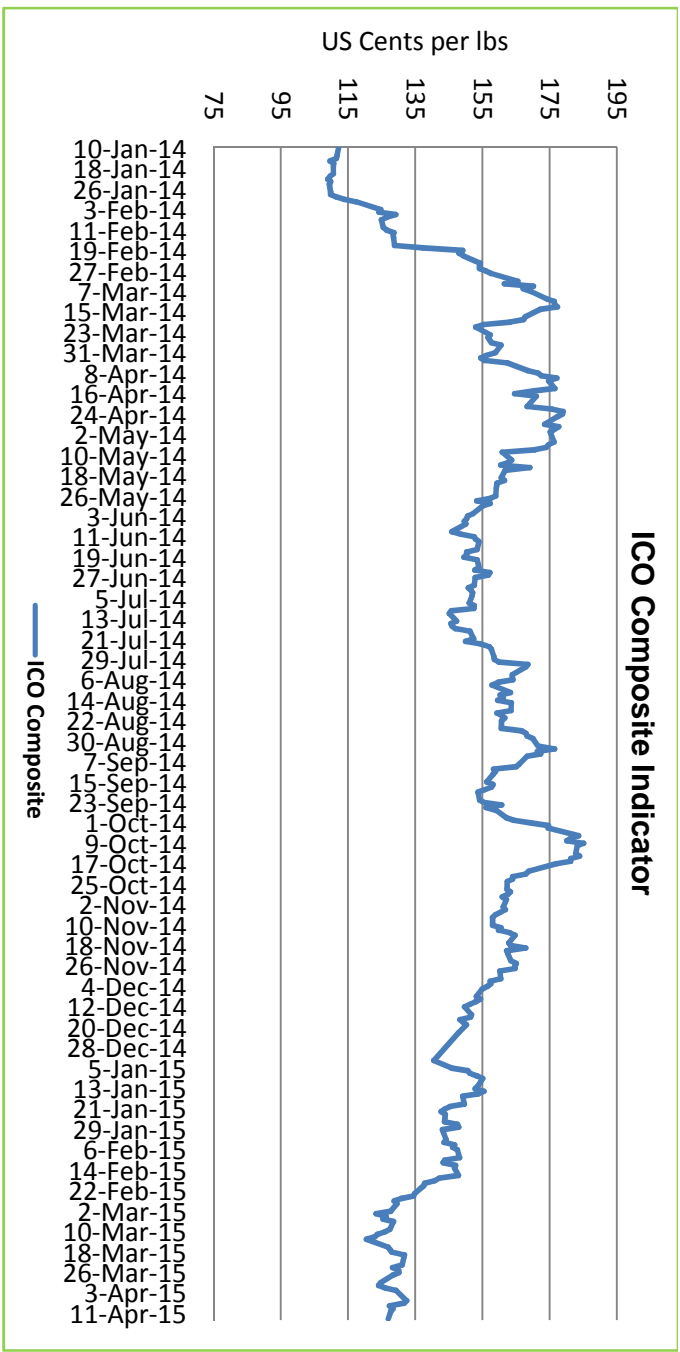
Source: Reuters

**International Coffee Price Trend**

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	10.4.2015	1.4.2015	10.3.2015	10.4.2014
<b>ICO Composite Indicator</b>	127.82	126.07	126.10	177.16
<b>Colombian Milds</b>				
US	152.75	149.75	150.00	231.50
Europe	156.06	158.19	154.06	226.61
Group Indicator	154.27	153.63	151.87	229.25
<b>Other Milds</b>				
US	162.69	157.94	158.44	237.00
Europe	160.38	160.97	159.67	230.47
Group Indicator	161.26	159.82	159.20	232.95
<b>Brazilian Naturals</b>				
US	130.75	126.75	125.00	190.50
Europe	135.51	137.28	132.40	202.82
Group Indicator	134.27	134.54	130.48	199.61
<b>Robusta</b>				
US	99.58	95.50	99.92	112.00
Europe	92.16	88.24	92.65	106.77
Group Indicator	93.35	89.40	93.81	107.60

**Germany Market - Hamburg and Bremen, France Market - (Le Havre and Marseilles) \* Values in US cents/lb**

## International Coffee Indicators Chart:-



Source: ICO

**International- Future Market Prices:-**

<b>ICE Arabica Coffee Futures Prices</b>				
<b>Contract Months</b>	<b>Today(10-Apr-2015)</b>	<b>Week ago (3-Apr-2015)</b>	<b>Month Ago (10-Mar-15)</b>	<b>Weekly Change (%)</b>
May-15	135.10	140.90	133.65	<b>-4.11</b>
Jul-15	137.85	143.75	137.00	<b>-4.10</b>
Sep-15	140.75	146.70	140.10	<b>-4.05</b>

<b>Liffe Robusta Coffee Futures Prices</b>				
<b>Contract Months</b>	<b>Today(3-Apr-2015)</b>	<b>Week ago (27-Mar-15)</b>	<b>Month Ago (3-Mar-15)</b>	<b>Weekly Change (%)</b>
May-15	1813	1804	1848	<b>0.49</b>
Jul-15	1837	1825	1871	<b>0.65</b>
Sep-15	1860	1840	1897	<b>1.08</b>

USC/lb

USD/T

**International Coffee Prices**

	<b>13.4.2015</b>	<b>2.4.2015</b>	<b>13.3.2015</b>	<b>13.4.2014</b>
Vietnam (Robusta Beans Spot) (Dong/Kg)	38250	--	37750	41700
Vietnam FOB (2-5 pct)* (Saigon port)	1877	--	1870	2034
Indonesian FOB (4-80 defects)** (Lampung Port)	1840	1840	1840	2200

\*FOB Values are in USD/T

**Weekly Auction Prices Of Kenya**

<b>Kenya Auction Prices</b>			
<b>Coffee Grade</b>	<b>Prices This Auction In (07/04/2015)</b>	<b>Average Prices In</b>	<b>Prices Last Auction In (31/03/2015)</b>
Arabica AA	168-305	239.16	151-316
Arabica AB	129-251	214.81	91-262
Arabica C	90-223	187.83	129-210
Arabica PB	129-255	218.45	134-235
Arabica T	64-181	123.88	70-171
Arabica TT	140-222	180.89	92-205

Units in \$ per 50 kg bags

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



**Weekly Technical Outlook:-**

- Candlestick chart shows down trend of the market on sellers interests .
- However, falling 14 days EMI hints further lower trend of the market.
- Rising volume and falling prices indicate short build up in the market.
- Relatively, RSI is slight down at 37.92 compared to last week movement at 38.58 indicating towards a downtrend in the next week.

**Expected Price Range During Coming Week**

<b><u>Expected Trend</u></b>	<b><u>Expected Trading Band</u></b>
<b><u>Range-bound to Bearish Momentum</u></b>	<b>126-152</b>

US cents/lb

**Expected Support and Resistance**

<b>S2</b>	<b>S1</b>	<b>PCP</b>	<b>R1</b>	<b>R2</b>
115.19	125.79	135.10	151.61	159.44

US cents/lb

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



**Weekly Technical Outlook:-**

- Candlestick chart shows an uptrend of the market.
- On the other hand, 14-days EMI is moving down at 1869 from 1875 of last week record indicating further a down phase in the market.
- Fibonacci retracement level on down wave shows first resistance level at 1841@61.8% level and second resistance level at 1943@50% for the upcoming week.

**Expected Price Range During Coming Week**

<b><u>Expected Trend</u></b>	<b><u>Expected Trading Band</u></b>
<b><u>Range-bound to Bearish Momentum</u></b>	<b>1738-1866</b>

USD/T

**Expected Support and Resistance**

<b>S2</b>	<b>S1</b>	<b>PCP</b>	<b>R1</b>	<b>R2</b>
<b>1611</b>	<b>1737</b>	<b>1813</b>	<b>1867</b>	<b>1940</b>

USD/T

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