

Highlights of The Week

Mixed trend were featured in Karnataka market on rising buying activities by the roaster and exporters during this week ended as on 27th April 2015. As per sources, Starbucks Corp has locked in prices on 70 per cent of 2016 coffee needs at "favorable" levels when compared to its 2015 coffee costs.

As per DGCIS report, India has received total coffee exports revenue around Rs. 659 .05 crore which is in USD 105.53 million in March 2015 higher by 2.58% in Rs. and 0.22% in USD respectively against Rs. 642.45 crore and USD 105.30 million respectively in previous year during the same month. It stood at Rs. 4906.36 crore and the value in USD at 802.96 million since April-2014 to March-2015 up by 2.24 in Rs. and 0.52% when the value is counting in USD against last year revenue i.e. Rs.4799.10 crore and in USD 798.83 million in corresponding period of time.

In view of Traders, Robusta harvesting of 2014/15 is almost finished in the key growing regions of Karnataka, Tamil Nadu and Kerala. As per exporters, Arabica crop size of India is placed around 90,000 tonnes and Robusta crops at 2.3 lakh. While, 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, as per the Coffee Board of India. Indian exporters are looking forward to some support from the Government in the forthcoming Export-Import Policy. Sources expects to increase the DEPB rates (Duty entitlement pass book) to around 2-3% from the current 1%. DEPB is an export incentive scheme of Indian Government provided to Exporters in India. DEPB rates are applied on the basis of FOB value or value cap whichever is lower.

In the recent forecast of Brazil crop, 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.

As per Uganda Coffee Development Authority, Uganda shipped down coffee beans by 10.5% to 3.11 million bags in March from 3.48 million bags in the same period last year after dry weather conditions curbed output.

Exports and Imports of India

Provisional Indian green coffee exports is registered down by 18.45% to 86301 metric tonnes from 1st January 2015 to 23rd April 2015 as compared to 105830 metric tonnes of previous year exports during the same period of time. India re-exports maximum Instant type of coffee which is recorded down at 18.45% to 24355 metric tonnes in this year during 1st January 2015 to 23rd April 2015 from preceding year instant coffee volume i.e. 15141 metric tonnes. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 43.09% to 15639, 35.67% to 5170 metric tonnes respectively against last year exports volume i.e. 27483 metric tonnes, 8037 metric tonnes respectively in the same period of time.

Below table shows Indian coffee exports volume details:-

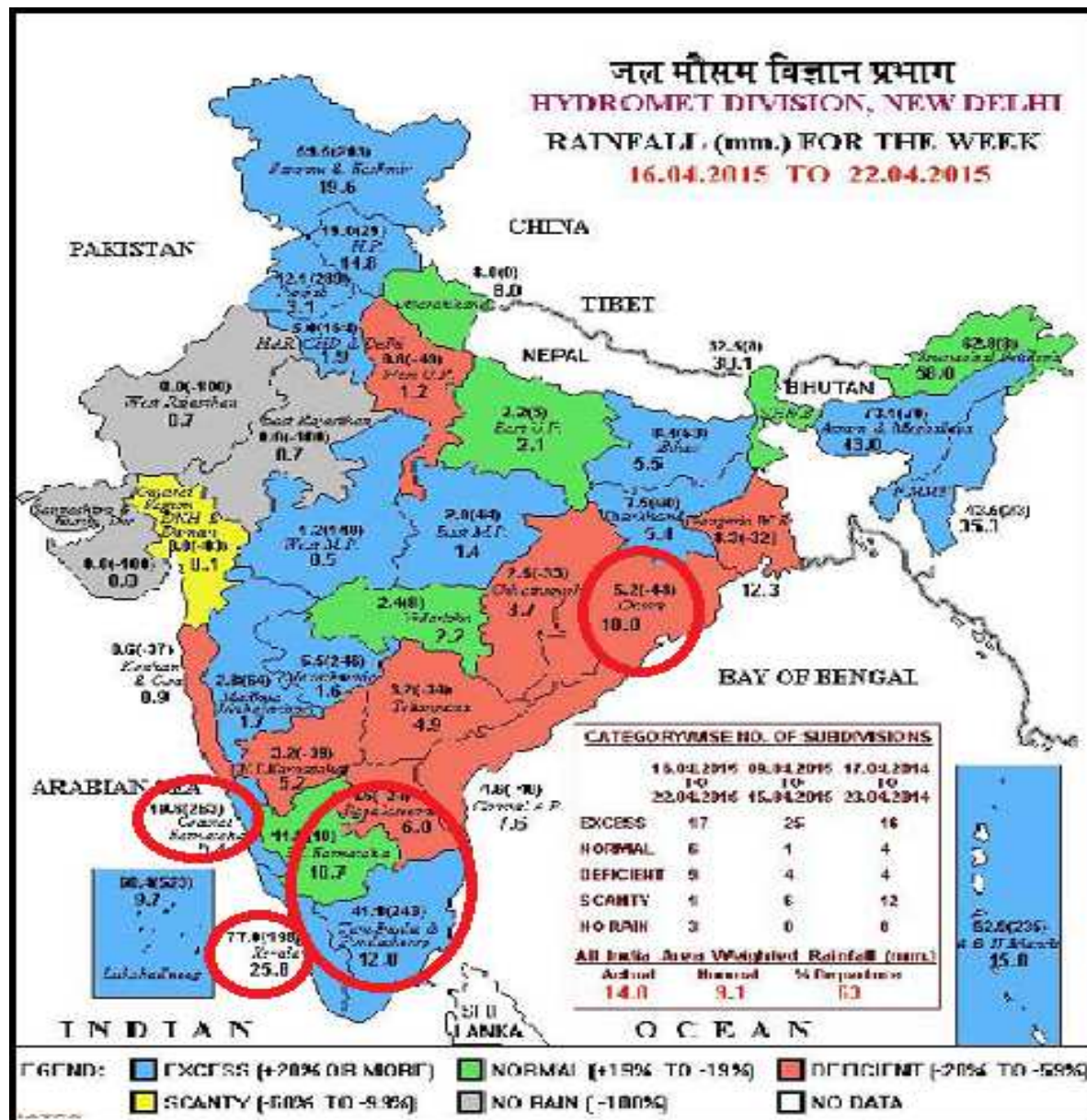
Export update: From 01st January 2015 to 23rd April 2015 (in metric tonnes)

	INDIAN COFFEE	Ar.Pmt	Ar.Chy	Rob.Pmt	Rob.Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian coffee)	15639	5170	11541	47274	12	109	6557	86301
2	Provisional exports corresponding period last year	27483	8037	8266	46434	26	86	15497	105830
3	Provisional re-exports	0	0	0	0	40	47	24268	24355
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	15141	15141
5	Total provisional exports (1+3)	15639	5170	11541	47274	52	155	30825	110656
6	Total provisional exports corresponding period last year (2+4)	27483	8037	8266	46434	26	86	30638	120970

Source: The Coffee Board Of India

Weather Updates

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



Circle means the Coffee Growing Belts of India

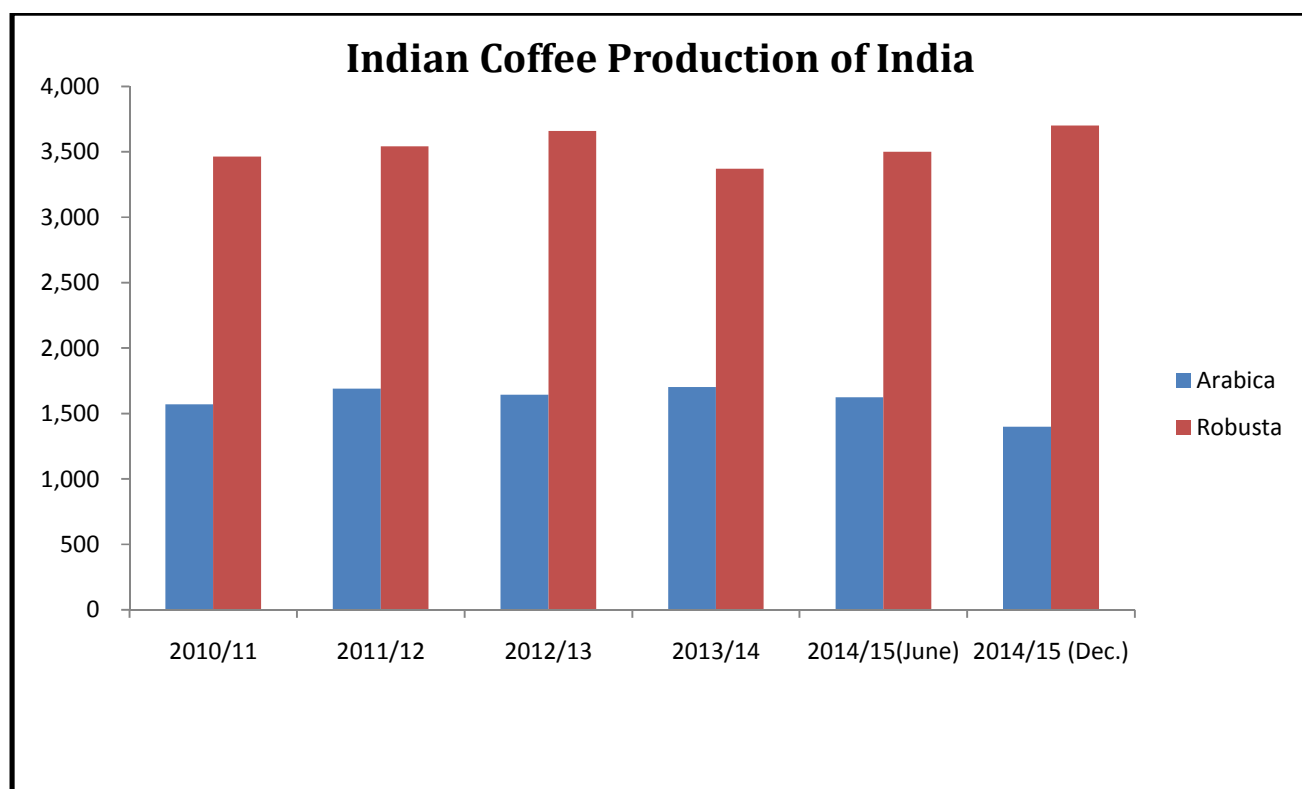
- During the week isolated thunderstorm activity was observed on most of the days over Kerala, Odisha, South Interior Karnataka, Coastal & North Interior Karnataka.
- An upper air trough runs from Telangana to extreme south peninsular India and extends upto 1.5 km above mean sea level.

Domestic Crops Condition and Production

According to USDA report, Indian coffee production is likely to go up slightly by 0.49% to 5100 thousands 60 kg-bags for 2014/15 against 5075 thousands bags in 2013/14. Arabica coffee crops is expected to decline by 18% to 1400 thousands bags (60 kg bags) from 1703 thousand bags in 2013/14 on the back of adverse weather condition while Robusta coffee crop in 2014/15 may touch higher level of 3700 thousand bags with an increase by 10% against last year crop size i.e. 3372 thousand bags in 2013/14 due to good crop yield.

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

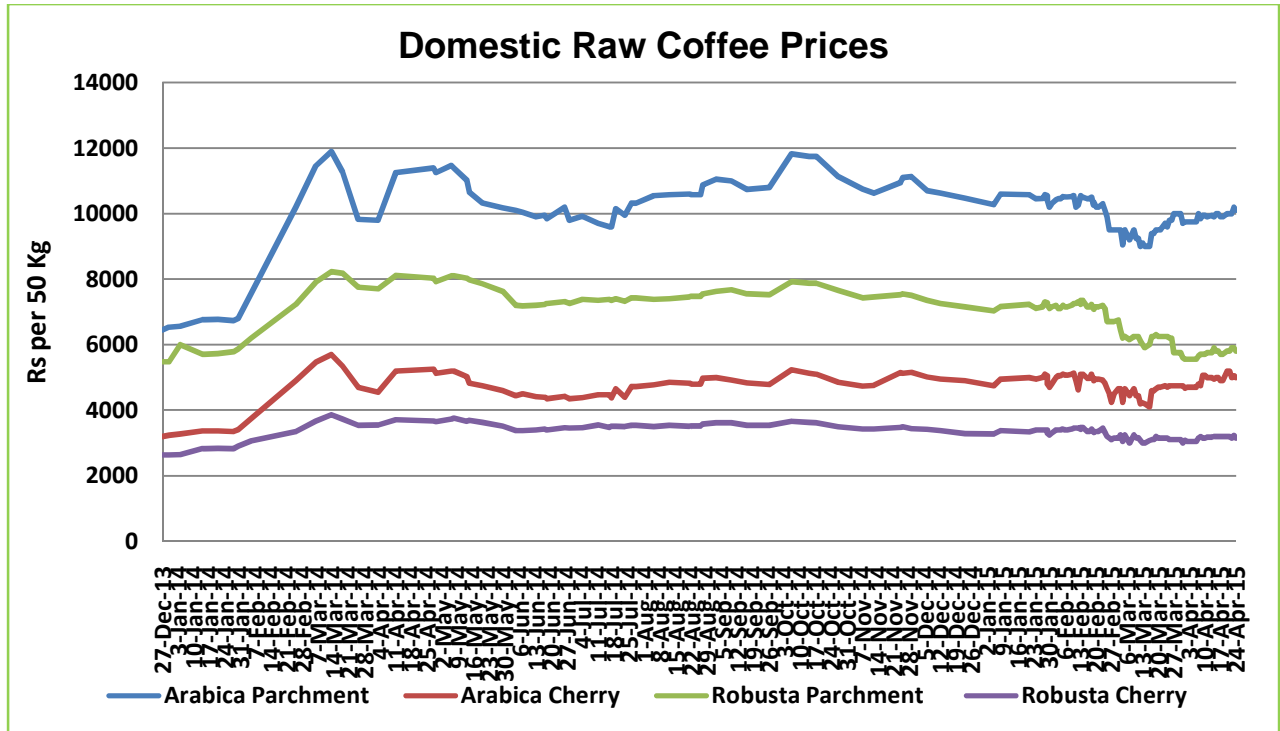
Types	2010/11	2011/12	2012/13	2013/14	2014/15 (June)	2014/15 (Dec.)	% change last estimates	% Change Last year
Arabica	1,570	1,690	1,643	1,703	1,625	1,400	-14	-18
Robusta	3,465	3,540	3,660	3,372	3,500	3,700	6	10



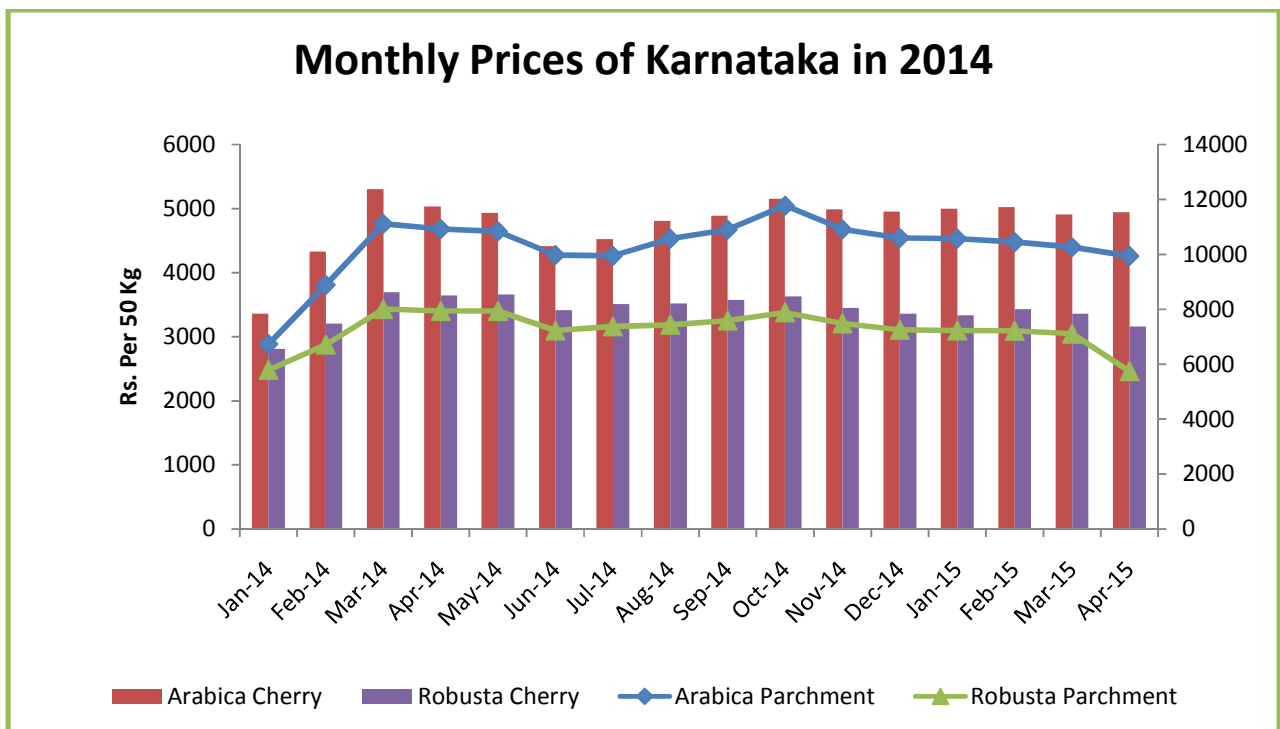
Source:USDA

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	27.4.2015	20.4.2015	Change
Arabica Parchment	10100	10000	100
Arabica Cherry	5100	5200	-100
Robusta Parchment	5900	5800	100
Robusta Cherry	3200	3200	Unch

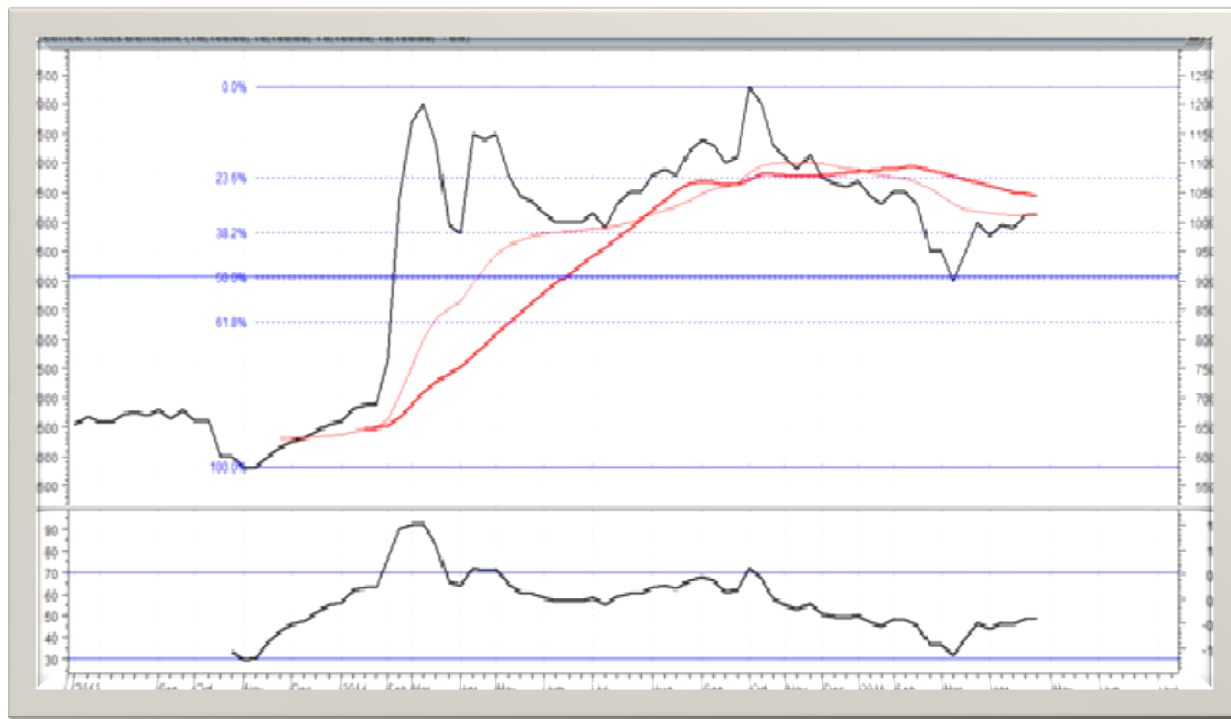
* Values in Rs per 50 Kg

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

Grade	20.4.2015	13.4.2015	Change	20.4.2015	13.4.2015	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 steady to upside momentum in the market.
- RSI is moving in neutral region at 48.89 in this week against 46.10 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

<u>Expected Trend</u>	<u>Expected Trading Band</u>
<u>Range-bound to Bearish Momentum</u>	9785-10290

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
9490.77	9784.61	10100	10293.94	12292.10

Units in Rs./50 kg.

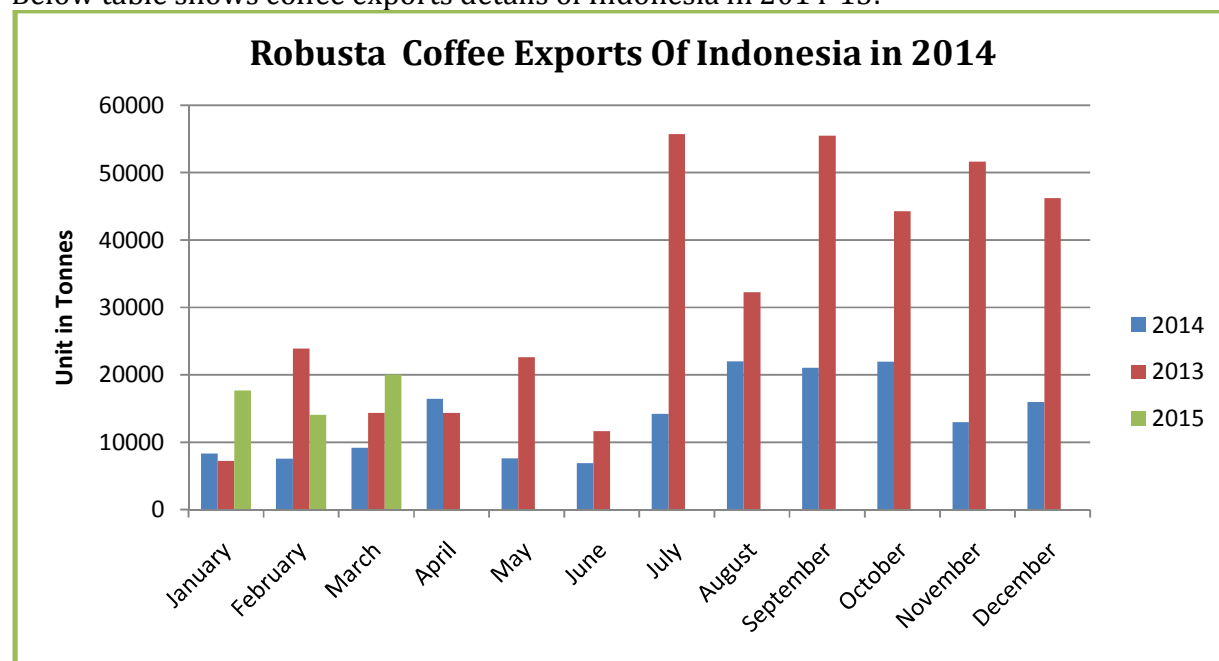
International Market Updates:
Weekly Futures Review -

ICE Arabica coffee future prices of May contract advanced by 1.76% to 141.15 USC cents per lb from 138.70 USC cents per lb due to buying supports in the market during this week. As per exchange Cot data, speculators increased their net long position by 2646 to 16427 contracts in Robusta coffee contracts.

Brazil:- Brazil's output may touch the level of 47.28 in 2015/16 slightly higher from 46.78 million bags in previous year with Arabica's production at 35.05 million bags and Robusta's production 15.2 million bags according to Terra Forte. Other sources like Coex Coffee Group, Brazil may harvest crops down at 45.08 million bags in 2015/16 against 47.5 million bags in 2015/16.

Indonesia: According to Indonesian Coffee Exporters and Industries Association, coffee exports of Indonesia in March-2015 stood higher by 73% to 20,246.26 tonnes against 14038.07 tonnes in previous month on good demand. Total 221242.6 tonnes of coffee is exported by Indonesia in 2014 lower from 355771.20 tonnes in 2013. Total coffee exports quantity may fall to 350,000 tonnes in 2015 against 382,774 tonnes of last year end. As per sources, coffee output of Indonesia is expected to decline to between 650,000 and 700,000 tonnes in 2015 as compared to 711,513 tonnes in 2014 due to adverse weather condition.

Below table shows coffee exports details of Indonesia 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

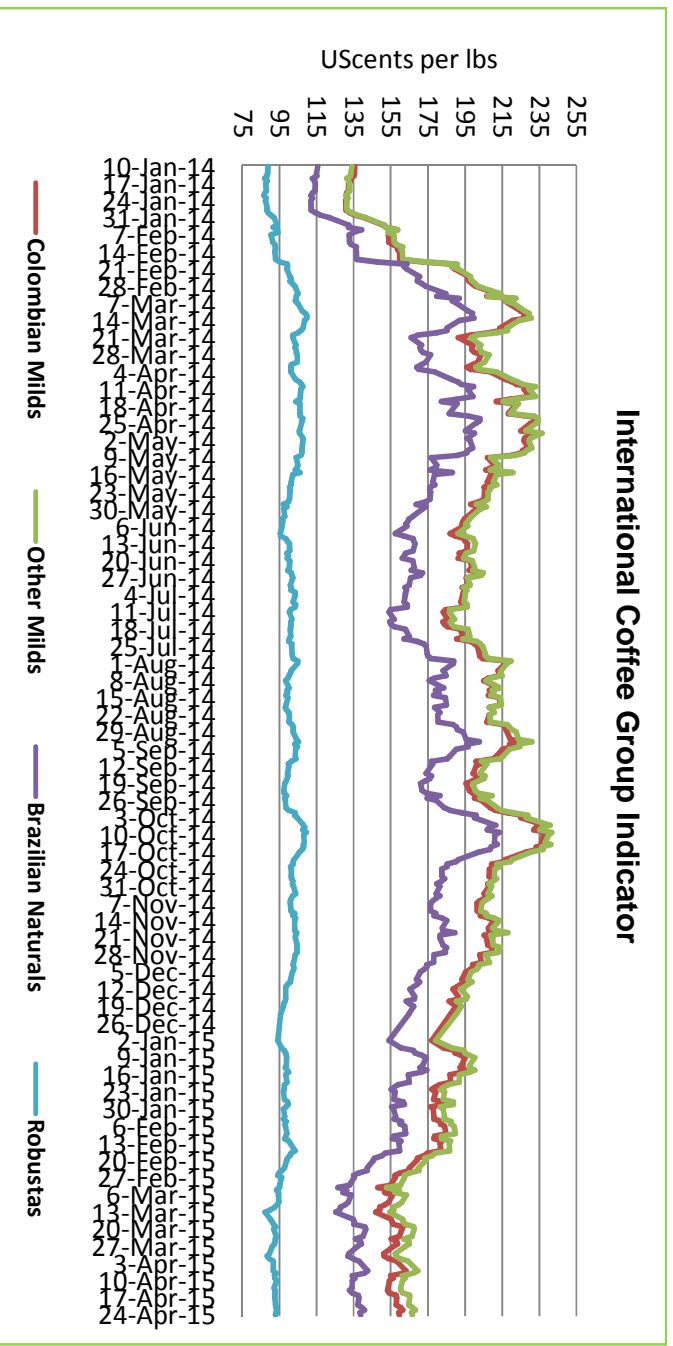
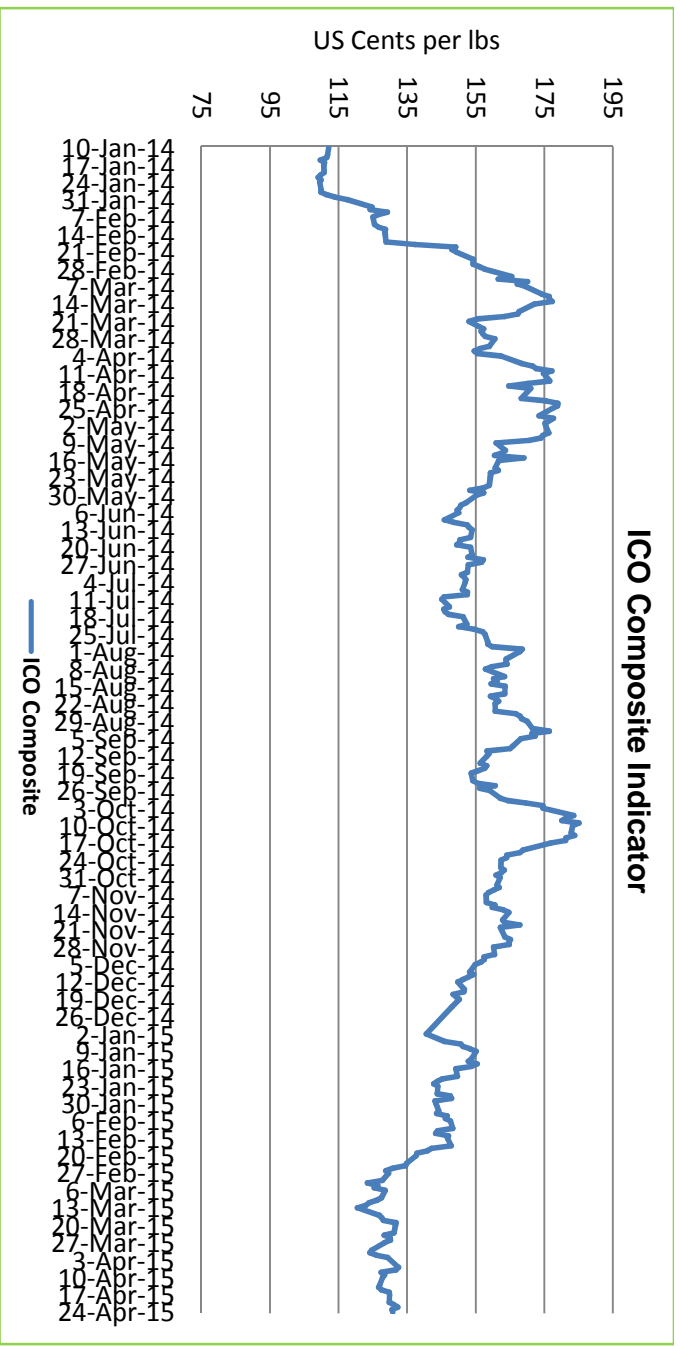
Source: Reuter

International Coffee Price Trend

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	24.4.2015	17.4.2015	24.3.2015	24.4.2014
ICO Composite Indicator	130.74	129.81	128.33	178.80
Colombian Milds				
US	158.25	156.50	152.25	239.75
Europe	161.19	160.03	158.78	227.81
Group Indicator	159.60	158.12	155.25	234.26
Other Milds				
US	167.69	166.19	160.44	242.75
Europe	165.98	164.36	162.90	229.40
Group Indicator	166.63	165.05	161.96	234.47
Brazilian Naturals				
US	133.25	132.50	130.25	198.75
Europe	140.69	139.54	137.76	204.26
Group Indicator	138.76	137.71	135.81	202.83
Robusta				
US	99.58	100.08	98.50	112.25
Europe	91.39	90.98	91.64	106.17
Group Indicator	92.70	92.44	92.74	107.14

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:-

ICE Arabica Coffee Futures Prices

Contract Months	Today(24-Apr-2015)	Week ago (17-Apr-2015)	Month Ago (24-Mar-15)	Weekly Change (%)
May-15	141.15	138.70	137.30	1.76
Jul-15	142.15	141.40	140.55	0.53
Sep-15	144.80	144.00	143.55	0.55

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(24-Apr-2015)	Week ago (17-Apr-2015)	Month Ago (24-Mar-15)	Weekly Change (%)
May-15	1795	1799	1818	-0.22
Jul-15	1816	1826	1845	-0.54
Sep-15	1839	1850	1871	-0.59

USC/lb

USD/T

International Coffee Prices

	15.4.2015	8.4.2015	15.3.2015	15.4.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	38700	38500	37750	41250
Vietnam FOB (2-5 pct)* (Saigon port)	1845	1877	1870	2067
Indonesian FOB (4-80 defects)** (Lampung Port)	1985	1840	1840	2180

*FOB Values are in USD/T

Weekly Auction Prices Of Kenya

Units in \$ per 50 kg bags

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (21/04/2015)	Average Prices In	Prices Last Auction In (14/04/2015)
Arabica AA	143-283	232.75	93-321
Arabica AB	113-268	203.54	92-244
Arabica C	86-225	166.72	91-211
Arabica PB	92-265	213.2	113-250
Arabica T	63-169	101.18	69-181
Arabica TT	86-218	190.55	139-199

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



Weekly Technical Outlook:-

- Candlestick chart shows continuous upside momentum in the market.
- However, falling 14 days EMI hints further declining phase of the market.
- Falling volume and rising prices indicate short covering stage of the market.
- Relatively, RSI is slight up at 41.61 compared to last week movement at 40.11 indicating towards a uptrend in the next week.
- We can see a range bound trading activities in upcoming days.

Expected Price Range During Coming Week

<u>Expected Trend</u>	<u>Expected Trading Band</u>
<u>Range-bound to Bearish Momentum</u>	126-148

US cents/lb

Expected Support and Resistance

S2	S1	PCP	R1	R2
119.60	125.93	141.25	149.40	163.93

US cents/lb

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



Weekly Technical Outlook:-

- Candlestick chart illustrates bearish trend of the market.
- Relatively, 14-days EMI is moving down at 1847 from 1857 of last week record indicating further a down phase in the market.
- Fibonacci retracement level on down wave shows first support level at 1737 @38.2% level and second support level at 1611@ 23.6% for the upcoming week.

Expected Price Range During Coming Week

<u>Expected Trend</u>	<u>Expected Trading Band</u>
<u>Range-bound to Bearish Momentum</u>	1714-1872

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1611	1737	1795	1838	1940

USD/T

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