

Highlights of the Week

Steady to weak tone were featured in Karnataka market due to dull trading activities as roasters and exporters are waiting further prices to decline during this week ended as on 5th May 2015.

As per the Coffee Board Of India, Provisional Indian green coffee exports is registered down by 17.88% to 90989.35 metric tonnes from 1st January 2015 to 29th April 2015 as compared to 110801.10 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 57.62% to 6927.69 metric tonnes in this year during 1st January 2015 to 29th April 2015 from preceding year instant coffee volume i.e. 16348.22 metric tonnes. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 42.08% to 16476.77, 33.19% to 5567.23 metric tonnes respectively against last year exports volume i.e. 28451.30 metric tonnes, 8334.16 metric tonnes respectively in the same period of time.

As per DGCIS report, India has received total coffee exports revenue around Rs. 659.05 crore which is in USD 105.53 million in February 2015 higher by 3.48% in Rs. and 3.8% in USD respectively against Rs. 369.57 crore and USD 105.30 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 Vietnam custom, Vietnam exported total 130,500 tonnes (2.17 million bags)of coffee in March 2015 with a decline of 52.4% against preceding years record i.e. 650,000 tonnes (or 10.83 million bags) during the same month. The figure is higher than the forecast of trader which was forecasted at 90,000-110,000 tonnes and the government forecast near 130,000 tonnes for March month 2015.

According to Brazil's Trade Ministry export data, total coffee exports of Brazil stood 2% below at 2814950 (60- kg bags) against last year record i.e. 2863,850 (60-kg bags).

Below table shows coffee exports details of Brazil:-

Brazil's Coffee Exports Details					
Commodity	Apr-15	Mar-15	Apr-14	% change Last month	% change Last year
Coffee	2,814,950	2,860,385	2,863,850	-2	-2

Source: Reuter

Exports and Imports of India

Below table shows Indian coffee exports volume details:-

ABSTRACT ON BOTH INDIAN & RE--EXPORTED COFFEE			
CALENDER YEAR	1st January 2015 to 29th April 2015	1st January 2014 to 29th April 2014	January 2014 to December 2014
1) PERMITS ISSUED IN TONNES	116522.193	126650.813	299342.623
2) VALUE IN US \$ MILLION	324.2	325.58	813.16
3) VALUE IN Rs. CRORES	2015.75	1997.81	4955.32
4) UNIT VALUE (RS/TONNE)	172993.19	157741.70	165540.03
FINANCIAL YEAR	1st April 2015 to 29th April 2015	1st April 2014 to 29th April 2014	April 2014 to March 2015
1) PERMITS ISSUED IN TONNES	31060.094	28966.954	287120.863
2) VALUE IN US \$ MILLION	81.87	81.40	811.32
3) VALUE IN Rs. CRORES	509.63	491.17	4954.80
4) UNIT VALUE (RS/TONNE)	164078.56	169561.48	172568.44
COFFEE YEAR	1st October 2014 to 29th April 2015	1st October 2013 to 29th April 2014	October 2013 to September 2014
1) PERMITS ISSUED IN TONNES	171553.936	185630.340	303290.406
2) VALUE IN US \$ MILLION	476.75	472.33	807.37
3) VALUE IN Rs. CRORES	2960.34	2908.18	4921.10
4) UNIT VALUE (RS/TONNE)	172560.22	156664.95	162257.03

Source: The Coffee Board Of India

Permits FROM 1st January 2015 TO April 29,2015 (Quantity in MT (GBE))

	AR.PMT	AR.CHY	ROB.PMT	ROB.CHY	R.SEEDS	R & G	INSTANT	TOTAL
1) INDIAN COFFEE	16476.770	5567.230	12284.990	49606.520	11.990	114.160	6927.690	90989.350
2) CORRESPONDING PERIOD OF PREVIOUS YEAR	28451.300	8334.160	8929.900	48614.770	30.040	92.710	16348.220	110801.100
3) RE-EXPORTS	0.000	0.000	0.000	0.000	39.980	47.170	25445.690	25532.840
4) CORRESPONDING PERIOD OF PREVIOUS YEAR	0.000	0.000	0.000	0.000	0.000	0.000	15849.730	15849.730
5) TOTAL (1+3)	16476.770	5567.230	12284.990	49606.520	51.970	161.330	32373.380	116522.190
6) TOTAL (2+4)	28451.300	8334.160	8929.900	48614.770	30.040	92.710	32197.950	126650.830

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 Orissa, Tamilnadu, Andhra Pradesh, Interior Karnataka on many days of the week.
- A trough extended from Marathawada to south Tamilnadu upto 0.9 km above mean sea level on 29th.
- A trough extends from southeast Madhya Pradesh to Kerala across interior parts of Andhra Pradesh at 0.9 km above mean sea level.

Domestic Crops Condition and Production

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 consumptions and exports is expected to go upside on increased demand of coffee from overseas during the current season.
- However, ending stocks would be lower this season in hope of an increase in 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.

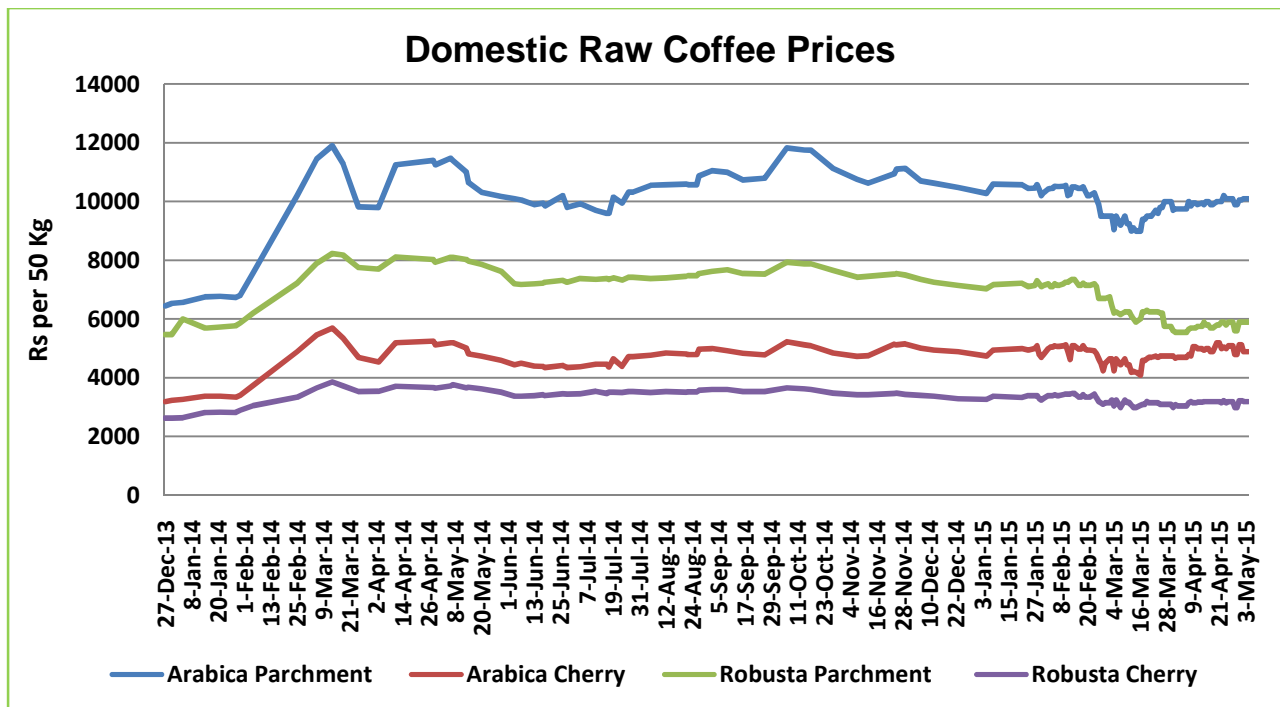
Below chart shows domestic coffee balance sheet since 2011-12 to 2014-15:-

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

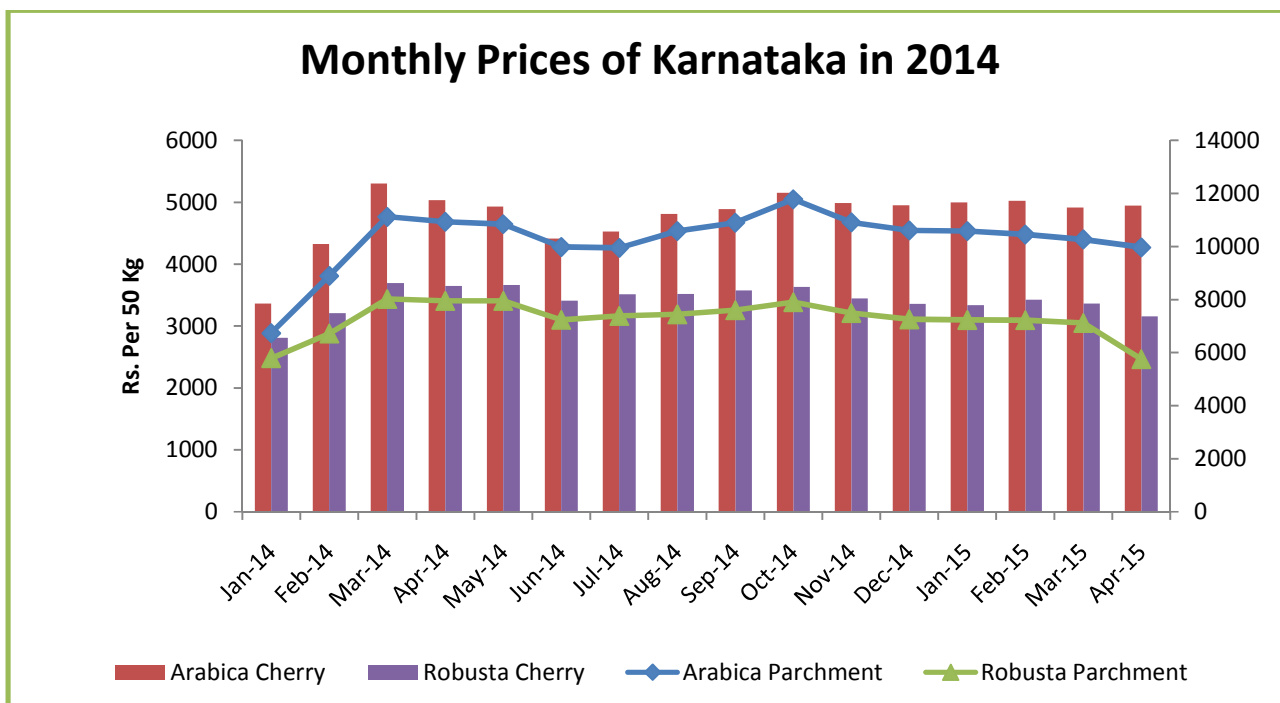
Source: USDA (* Estimate)

Coffee Prices of Auction Market & State-wise Market

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	4.5.2015	27.4.2015	Change
Arabica Parchment	10100	10100	Unch
Arabica Cherry	4900	5100	-200
Robusta Parchment	5900	5900	Unch
Robusta Cherry	3200	3200	Unch

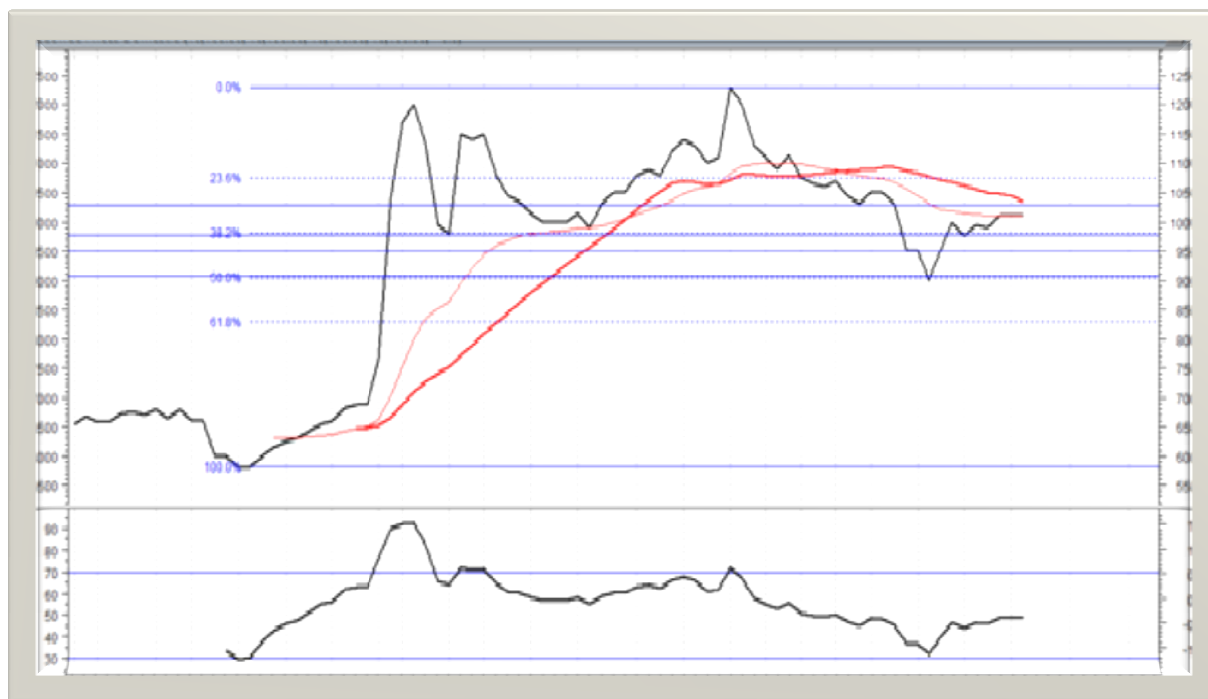
* Values in Rs per 50 Kg

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 uptrend in the market during this week.
- RSI is moving in neutral region at 48.89 in this week against 47.53 hints further sideways to bullish trend of the market.
- However, simple moving average supports steady to downzone of the market in next week.
- We may see steady to down 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>	9472-10230

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
9059	9471	10100	10235	10783

Units in Rs./50 kg.

International Market Updates:

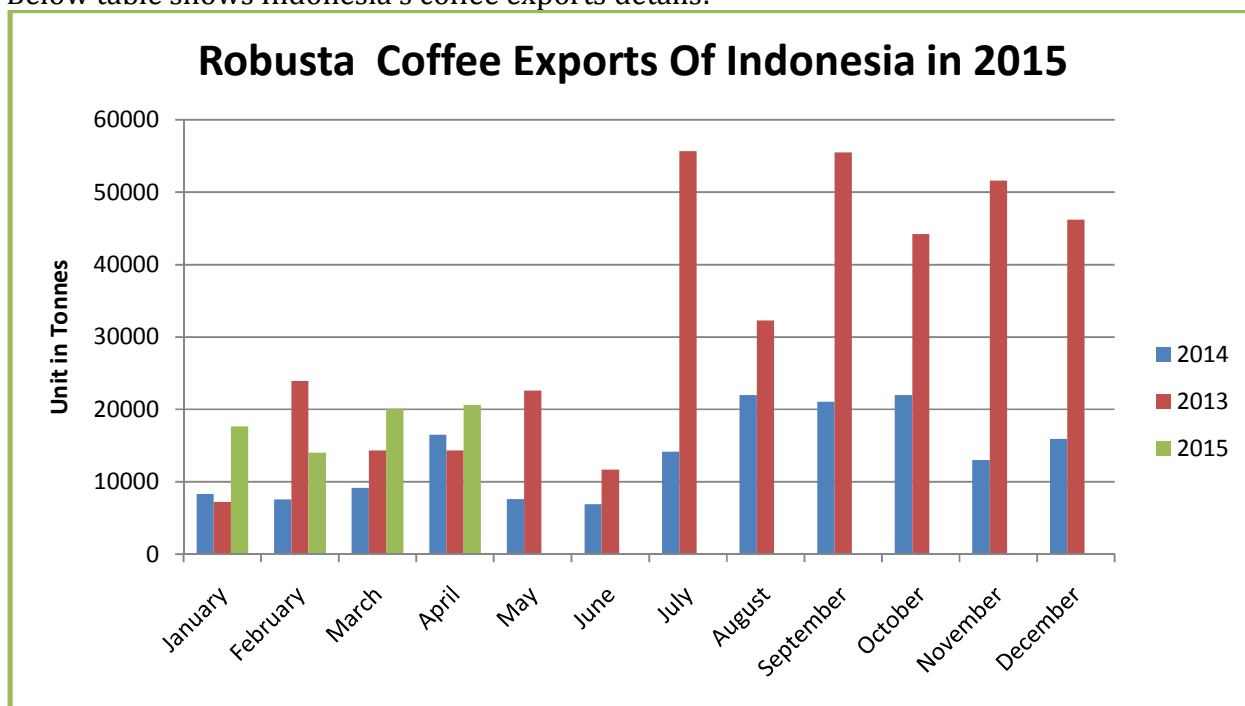
Weekly Futures Review -

ICE Arabica coffee future prices of May contract slipped by 5.45% to 133.45 USC cents per lb from 141.15 USC cents per lb on the back of lackluster demand during this week. As per exchange data, Robusta speculators decreased their net long position by 199 lots to 16228 contracts in Robusta coffee contracts as of April 28th 2015.

Brazil:- As per Volcafe, coffee crop for top grower Brazil is forecasted to 51.9 million 60-kg bags from its previous estimate of 49.5 million bags. The Swiss-based coffee division of commodities house ED&F Man said Brazil will harvest 35.5 million bags of arabica coffee in 2015, and 16.4 million bags of robusta.

Indonesia:- As per government trader data, Robusta coffee bean exports in Sumatra, one the main growing area of Indonesia went up by 2.75% to 20598.7 tonnes in April 2015 against 20046.26 tonnes in April 2014 on fresh demand. Total **coffee** production in the world's third-largest producer was seen at between 650,000 and 700,000 tonnes in 2015, down from 711,513 tonnes in 2014, according to the Indonesian **Coffee** Exporters and Industries Association.

Below table shows Indonesia's coffee exports details:



Source: Reuter

Coffee Exports Details Of The World

Below table shows estimates of the Coffee output estimate of the World (In million of Bags) :-

Coffee Production Details Of The World								
		Crop year	2009	2010	2011	2012	2013	2014
<u>WORLD TOTAL</u>	-	-	123042	133651	136583	147562	146745	141850
Brazil	(A/R)	Apr/Mar	39470	48095	43484	50826	49152	45342
Vietnam	(R/A)	Oct/Sep	17825	20000	26500	25000	27500	27500
Colombia	(A)	Oct/Sep	8098	8523	7652	9927	12124	12500
Indonesia	(R/A)	Apr/Mar	11380	9129	7288	13048	11667	9000
Ethiopia	(A)	Oct/Sep	6931	7500	6798	6233	6527	6625
India	(R/A)	Oct/Sep	4806	4728	4921	4977	5075	5517
Honduras	(A)	Oct/Sep	3603	4331	5903	4537	4568	5400
Mexico	(A)	Oct/Sep	4109	4001	4563	4327	3916	3900
Uganda	(R/A)	Oct/Sep	2860	3223	3075	3878	3602	3800
Guatemala	(A/R)	Oct/Sep	3835	3950	3840	3743	3159	3500
Peru	(A)	Apr/Mar	3286	4069	5373	4453	4338	3400
Côte d'Ivoire	(R)	Oct/Sep	1795	982	1966	2072	1973	2175
Nicaragua	(A)	Oct/Sep	1871	1634	2193	1890	2017	2000
Costa Rica	(A)	Oct/Sep	1304	1392	1462	1571	1444	1508
Tanzania	(A/R)	Jul/Jun	675	846	544	1109	809	1030
Kenya	(A)	Oct/Sep	630	641	757	875	838	850
Papua New Guinea	(A/R)	Apr/Mar	1038	870	1414	717	828	850
El Salvador	(A)	Oct/Sep	1065	1814	1152	1235	537	680
Venezuela	(A)	Oct/Sep	1214	1202	902	952	805	660
Ecuador	(A/R)	Apr/Mar	813	854	825	828	666	650
Madagascar	(R)	Apr/Mar	457	530	602	537	645	530

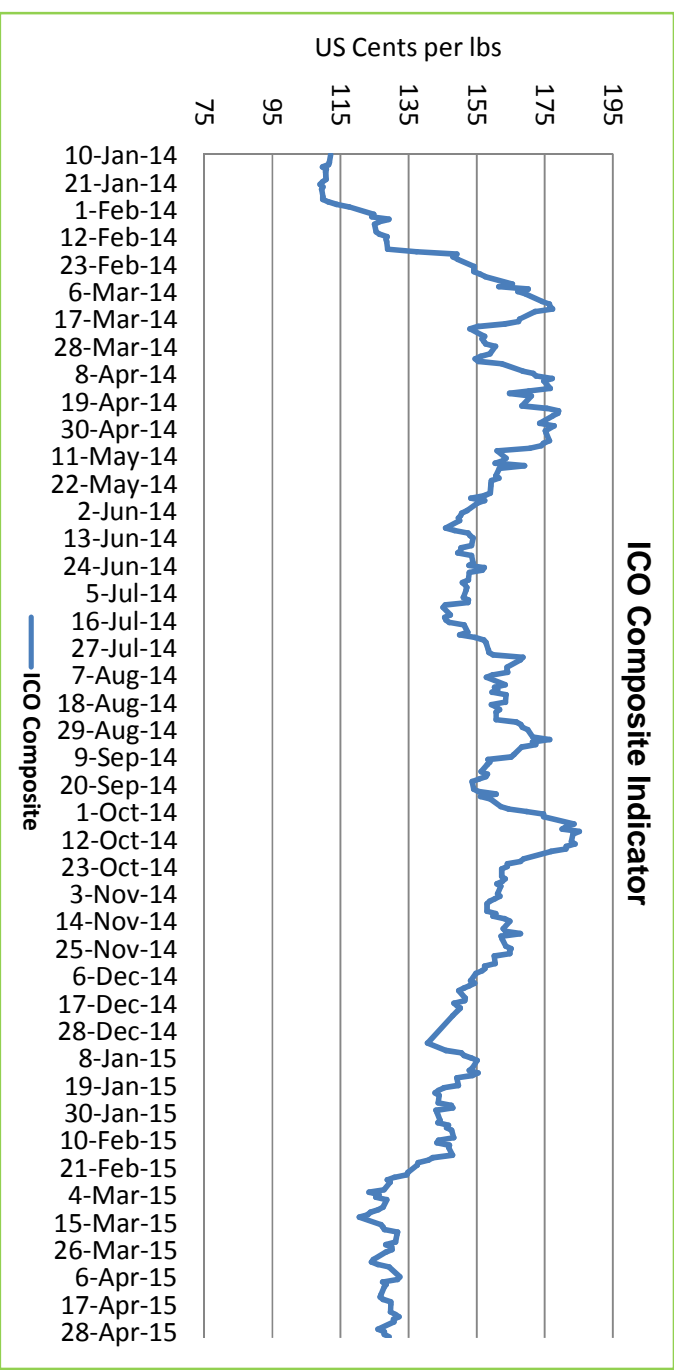
Source:ICO

International Coffee Price Trend

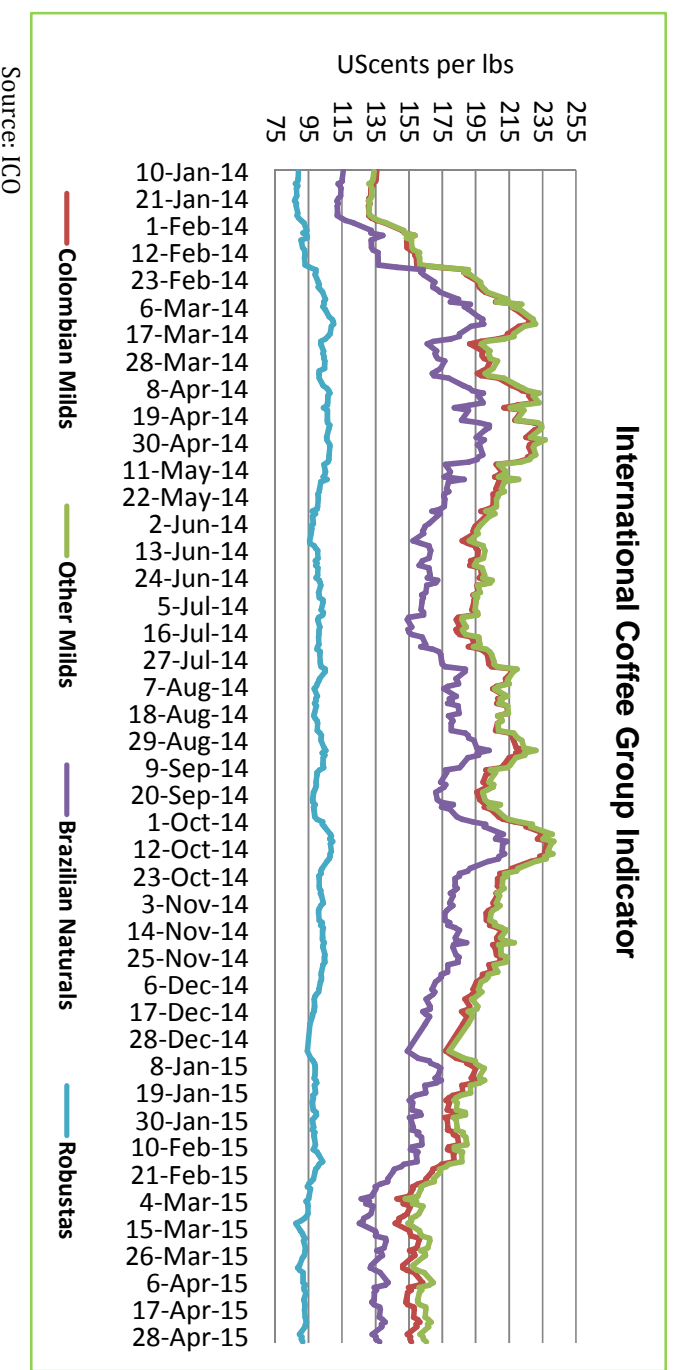
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	30.4.2015	24.4.2015	30.3.2015	29.4.2014
ICO Composite Indicator	129.31	130.74	124.66	177.68
Colombian Milds				
US	152.50	158.25	147.25	237.00
Europe	161.04	161.19	155.85	225.26
Group Indicator	156.43	159.60	151.21	231.60
Other Milds				
US	163.44	167.69	155.19	240.25
Europe	166.67	165.98	158.82	234.03
Group Indicator	165.44	166.63	157.44	236.10
Brazilian Naturals				
US	128.50	133.25	125.25	197.00
Europe	140.61	140.69	134.89	201.11
Group Indicator	137.46	138.76	132.39	200.04
Robusta				
US	98.25	99.58	94.00	111.33
Europe	90.11	91.39	88.67	104.75
Group Indicator	91.41	92.70	89.52	105.80

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

International Coffee Indicators Chart:-



Source: ICO



Source: ICO

International- Future Market Prices:-

ICE Arabica Coffee Futures Prices				
Contract Months	Today(1-May-2015)	Week ago (24-Apr-2015)	Month Ago (1-Apr-15)	Weekly Change (%)
May-15	133.45	141.15	134.85	-5.45
Jul-15	134.20	142.15	138.05	-5.59
Sep-15	136.90	144.80	141.00	-5.45

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(1-May-2015)	Week ago (24-Apr-2015)	Month Ago (1-Apr-15)	Weekly Change (%)
May-15	1732	1795	1778	-3.50
Jul-15	1772	1816	1801	-2.42
Sep-15	1796	1839	1818	-2.33

USC/lb

International Coffee Prices

	30.4.2015	23.4.2015	30.3.2015	30.4.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	20300	39000	38900	39550
Vietnam FOB (2-5 pct)* (Saigon port)	2030	1880	1890	2056
Indonesian FOB (4-80 defects)** (Lampung Port)	2030	--	1890	2140

*FOB Values are in USD/T

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (28/04/2015)	Average Prices In	Prices Last Auction In (21/04/2015)
Arabica AA	96-298	232.75	143-283
Arabica AB	86-252	203.54	113-268
Arabica C	73-212	166.72	86-225
Arabica PB	91-247	213.2	92-265
Arabica T	60-170	101.18	63-169

Units in \$ per 50 kg bags

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



Weekly Technical Outlook:-

- Candlestick chart shows a declining phase of the market.
- Falling 14 days EMA hints further down phase of the market.
- Falling volume and prices indicate further bearish trend of the market.
- Relatively, RSI is slight down at 37.95 compared to last week movement at 41.61 indicating towards a fall in the next week.
- We can see a down phase of the market 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>	128-150

US cents/lb

Expected Support and Resistance

S2	S1	PCP	R1	R2
117.96	126.82	133.45	149.70	164.06

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 1835 from 1847 of last week record indicating further a down phase in the market.
- Fibonacci retracement level on down wave shows second support level at 1611 @23.6% level and second resistance level at 1940@ 61.8% for the upcoming week.

Expected Price Range During Coming Week

<u>Expected Trend</u>	<u>Expected Trading Band</u>
Range-bound to Bearish Momentum	1678-1840

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1611	1675	1732	1838	1940

USD/T

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