

Highlights of the Week

Mixed trend are continued in Karnataka market on ups and down in demand during this week ended as on 11th May 2015. Arabica Parchment is registered at 10150 in Rs./50 kg bags which is lower than last week price i.e. 10100 in Rs./50 kg bags. 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 recently released data by the Coffee Board Of India, Coffee Planted area of Karnataka, Kerala, Tamilnadu stood at 230333 hectares, 85359 hectares, 31544 hectares respectively followed by Arabica planted area by 109003 hectares, 4175 hectares, 25939 hectares and Robusta planted area by 121330 hectares, 81184 hectares, 5605 hectares respectively in 2013/14 against 213386 hectares, 84413 hectares, 29996 hectares in 2012/13. Total coffee area of India is covered near at 418975 hectares in 2013/14 higher than 415341 hectares in 2012/13.

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.

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.

As per ICO, Brazil shipped total 36.8 million 60-kg bags of coffee in the 2014/15 crop year, through end-March 2015 with an increase of 12.4% from the 32.7 million bags exported in 2013/14 on account of lower production volume due to the drought in early 2014 and domestic consumption of 21 million bags. This would suggest that significant volumes of domestic stocks have been used to supply the market over the last year.

Exports and Imports of India

Provisional Indian green coffee exports is registered down by 17.01% to 96088 metric tonnes from 1st January 2015 to 7th May 2015 as compared to 115795 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 57.22% to 7058 metric tonnes in this year during 1st January 2015 to 7th May 2015 from preceding year instant coffee volume i.e. 16501 metric tonnes. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 41.51% to 17273, 30.20% to 5869 metric tonnes respectively against last year exports volume i.e. 29532 metric tonnes, 8409 metric tonnes respectively in the same period of time.

Below table shows Indian coffee exports volume details:-

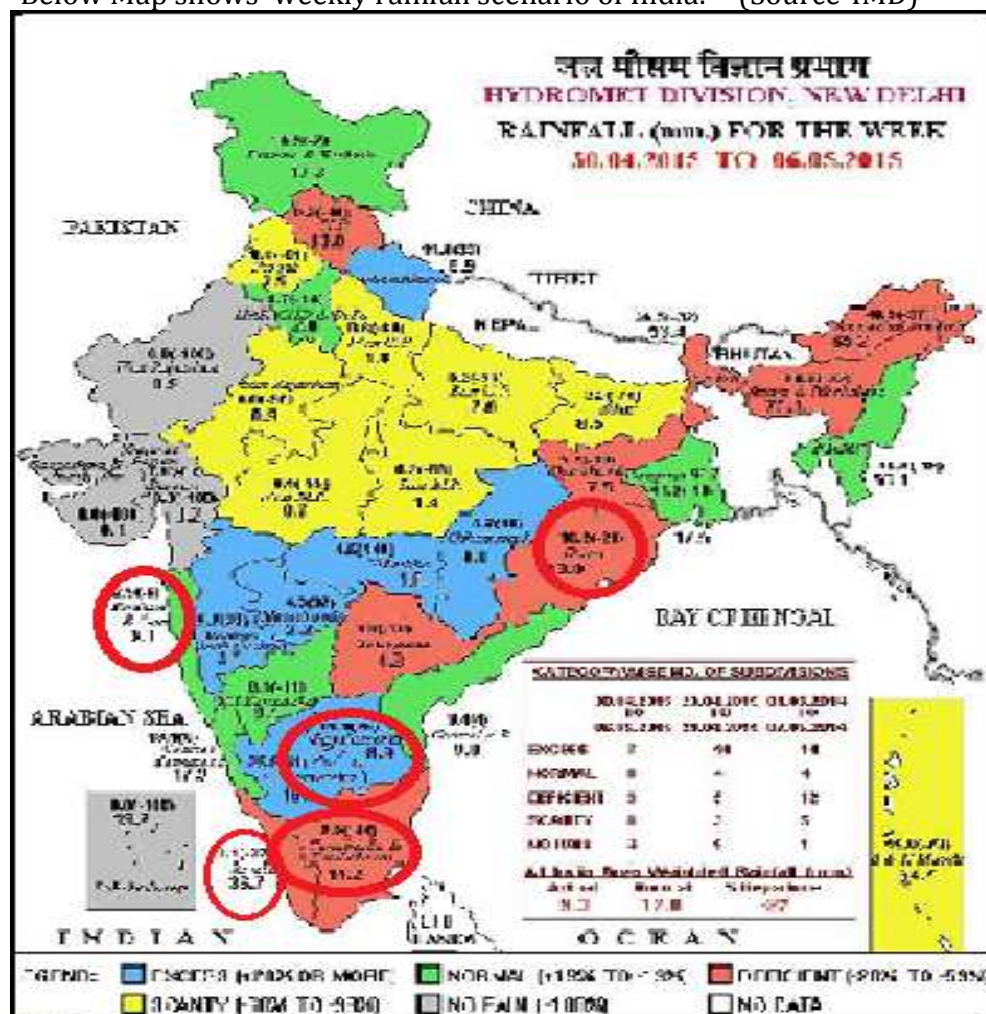
Export update: From 01st January 2015 to 07th May 2015 (in metric tonnes)

	INDIAN COFFEE	Ar.Pmt	Ar.Chy	Rob.Pmt	Rob.Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian coffee)	17273	5869	12976	52780	12	119	7058	96088
2	Provisional exports corresponding period last year	29532	8409	9641	51584	33	94	16501	115795
3	Provisional re-exports	0	0	0	0	42	63	26449	26554
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	17244	17244
5	Total provisional exports (1+3)	17273	5869	12976	52780	54	182	33507	122642
6	Total provisional exports corresponding period last year (2+4)	29532	8409	9641	51584	33	94	33746	133039

Source: The Coffee Board Of India

Weather Updates

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



Source:IMD (Circle Indicates Coffee Belts Of India)

- Thunderstorm activity was observed at a few places over Kerala on 6th May. Isolated thunderstorm activity was also observed on almost all the days of the week over South Interior Karnataka; on many days over Orissa, Chhattisgarh Tamilnadu and Kerala.
- An upper air cyclonic circulation lies over south Tamilnadu and adjoining Comorian area and extends up to 2.1 km above mean sea.

Domestic Crops Condition and Production

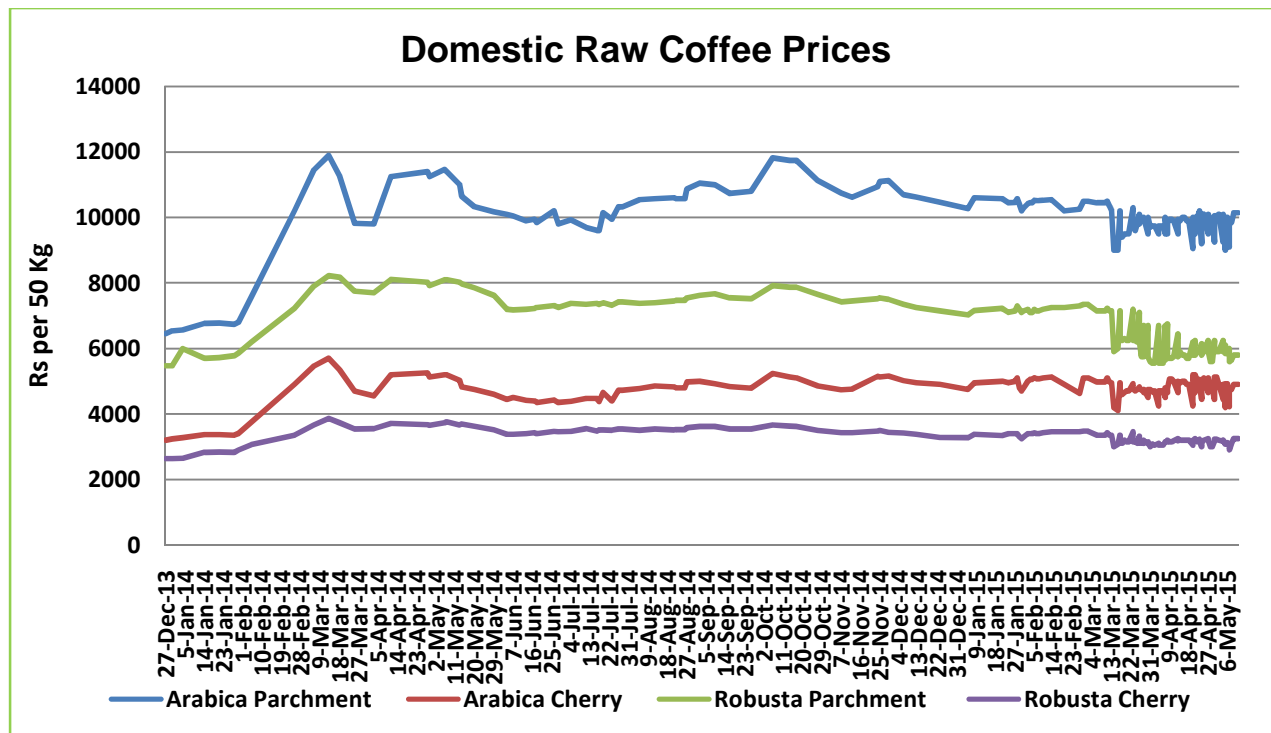
Below table shows updated Planted Area of Coffee in India:-

Planted Area of Coffee in India since 1950-51					
Year	Arabica	%	Robusta	%	Total
1950-51	67613	73	24910	27	92523
1960-61	70650	59	49670	41	120320
1970-71	80433	59	55030	41	135463
1980-81	109454	53	98815	47	208269
1990-91	127934	47	142887	53	270821
1991-92	126889	46	151742	54	278631
1992-93	141546	49	149465	51	291011
1993-94	143491	49	148976	51	292467
1994-95	142644	49	150465	51	293109
1995-96	145901	48	159252	52	305153
1996-97	143239	47	160582	53	303821
1997-98	143928	47	161974	53	305902
1998-99	160671	49	168567	51	329238
1999-00	168453	50	171853	50	340306
2000-01	167679	48	179037	52	346716
2001-02	165892	48	181103	52	346995
2002-03	171180	48	182872	52	354052
2003-04	170294	48	184546	52	354840
2004-05	174315	48	188769	52	363084
2005-06	177728	47	201981	53	379709
2006-07	179096	47	201989	53	381085
2007-08	184418	48	203777	52	388195
2008-09	189511	48	204841	52	394352
2009-10	193995	49	205688	51	399683
2010-11	197930	49	206715	51	404645
2011-12	201070	49	208620	51	409690
2012-13	205775	50	209566	50	415341
2013-14	209385	50	209590	50	418975

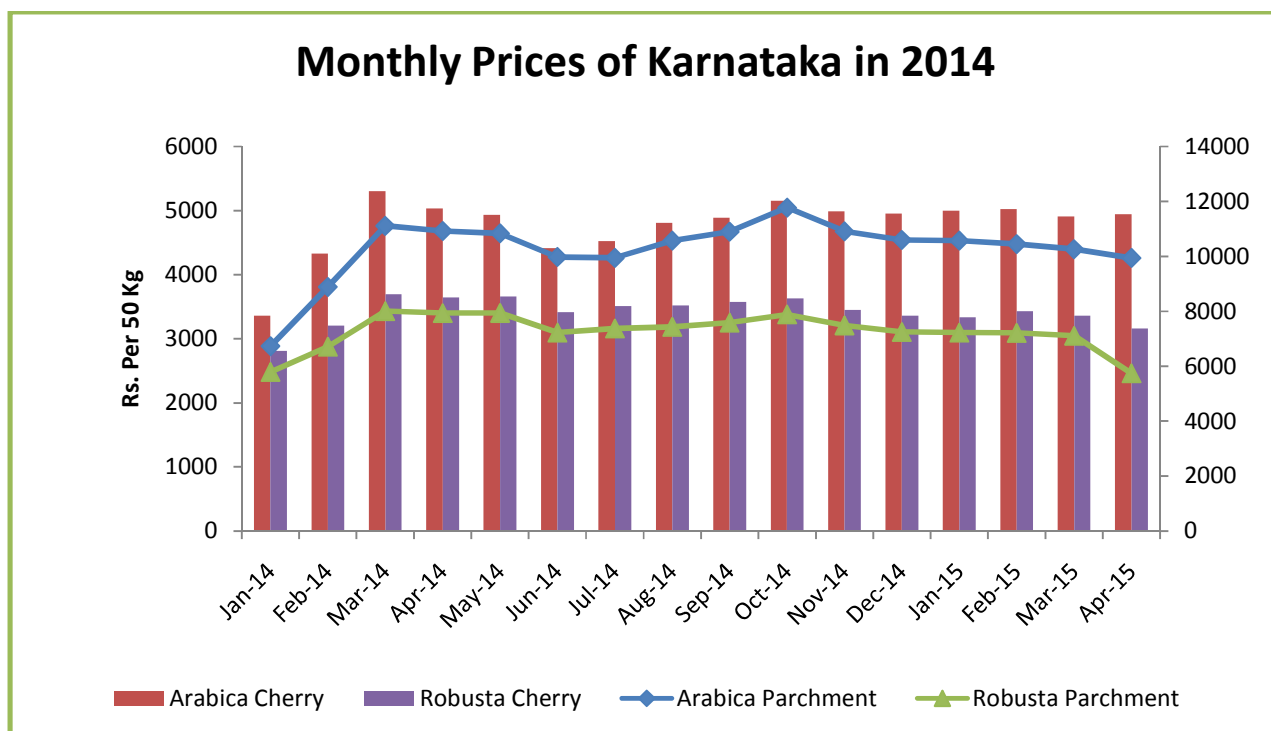
Source: The Coffee Board Of India

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	11.5.2015	4.5.2015	Change
Arabica Parchment	10150	10100	150
Arabica Cherry	4900	4900	Unch
Robusta Parchment	5800	5900	-100
Robusta Cherry	3250	3200	50

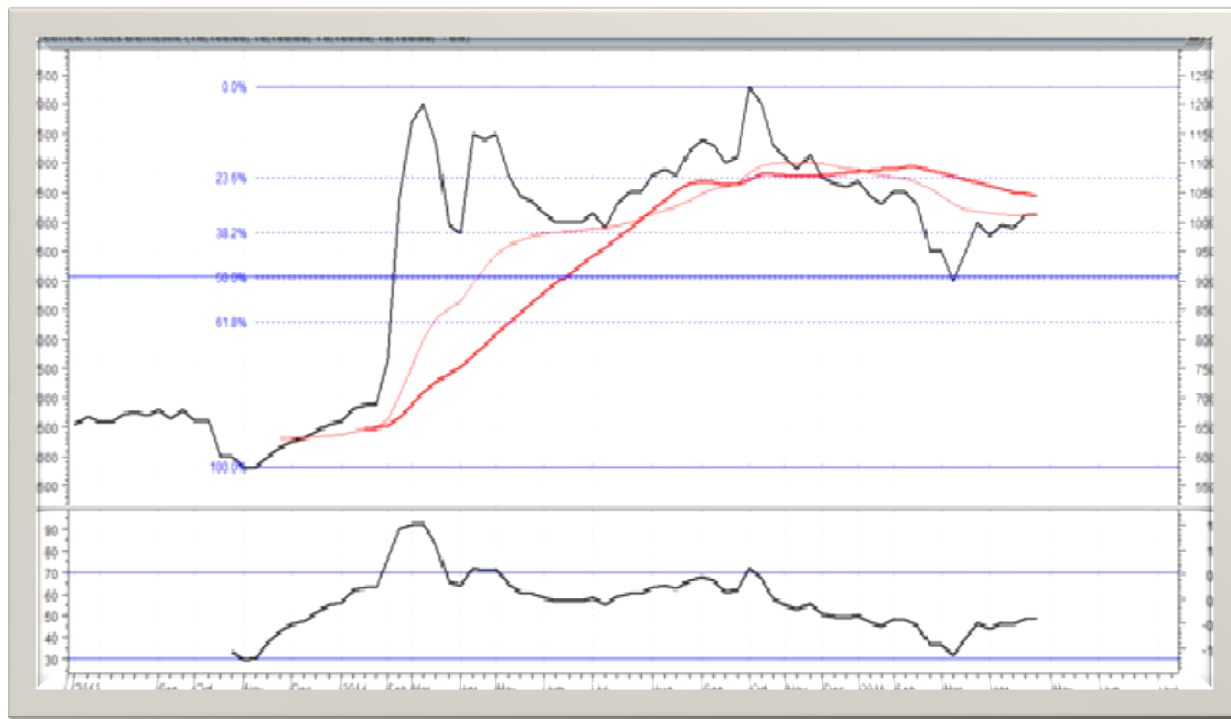
* Values in Rs per 50 Kg

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 49.64 in this week against 48.49 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>	9790-10300

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
9490	9789	10150	10310	12292.10

Units in Rs./50 kg.

International Market Updates:

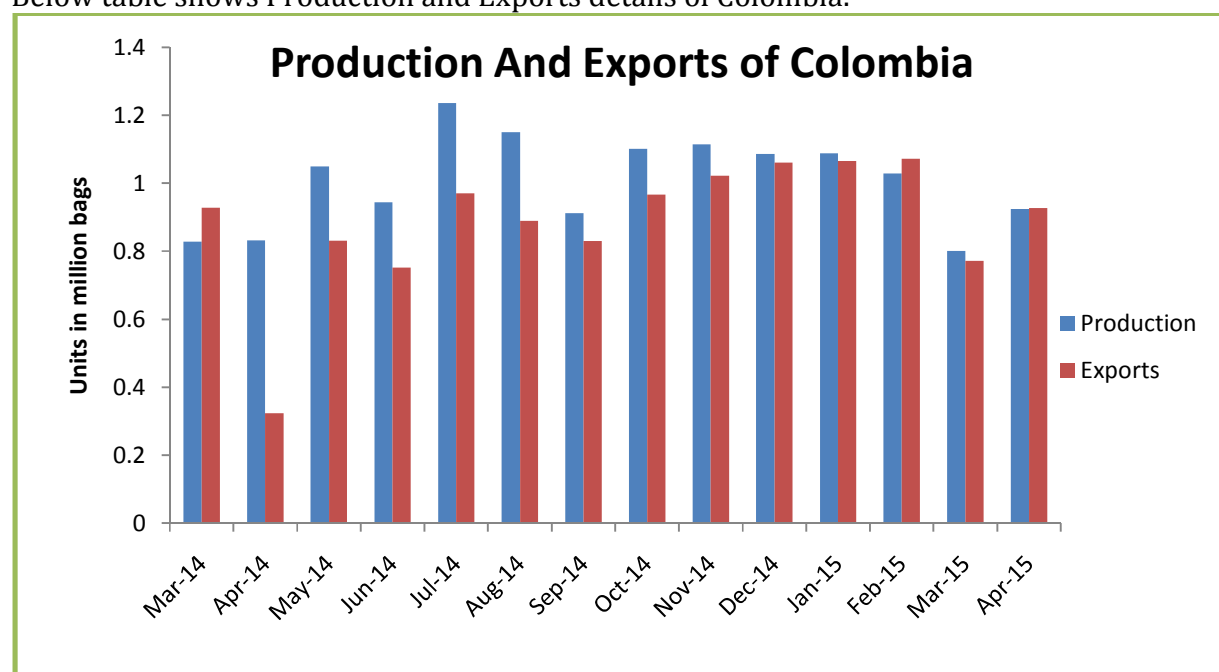
Weekly Futures Review -

ICE Arabica coffee future prices of July contract increased by 2% to 134.65 USC cents per lb from 131.70 USC cents per lb due to buyers interests in the market during this week. While Robusta coffee prices on Liffe stood 2% higher at 1758 USD/T in the current week against 1718 USD/T in the last week.

Brazil:- According to traders ,Brazil's crop supply agency Conab has scheduled a new auction to sell old crop Arabica coffees a week on May 13, as the country's coffee belt prepares to enter the peak of harvest. New crop coffees will not likely hit the open market for at least a month or more as producers harvest, cure and transport the beans to port or cooperative. Brazil's Robusta harvest started in April but the larger Arabica harvest is just getting started in some isolated areas. The bulk of the Arabica harvest is not likely to occur until June. Conab sold 28,000 bags of old crop coffee on April 30 in its last auction. It was the first successful auction of federally warehoused coffee in years. The volume of coffee sold in the previous and next week's auction is insufficient to affect market prices. The older beans are used in blends by roasters primarily.

Colombia:- According to Reuters, Colombia produces 15.5% higher coffee to 0.924 million bags in April 2015 as compared to 0.927 million bags in last month. Colombia exports total 0.927 million bags in April 2015 with an increase of 20.07% against March month exports volume i.e. 0772 million bags.

Below table shows Production and Exports details of Colombia:-



Source: Reuters

Global Production Of The Coffee

Below table shows coffee Consumption details of the World(In million of Bags) :-

World Coffee Consumption in thousand Bags					
Calendar Years	2011	2012	2013	2014	Compound Annual Growth Rate
World total	139415	143004	147339	149265	23.0%
Africa	9217	10098	10465	10667	50.0%
Asia & Oceania	26338	27788	29403	30095	45.0%
Central America & Mexico	4,973.00	5,036.00	5,028.00	4,969.00	0.0%
Europe	49,311.00	49,532.00	50,614.00	50,468.00	0.8%
North America	25 618	25 730	26 931	27 674	26.0%
South America	23,958.00	24,820.00	24,897.00	25,393.00	20.0%
Exporting countries	42,794.00	44,222.00	44,992.00	46,201.00	26.0%
Brazil	19,573.00	20,178.00	20,146.00	20,771.00	20.0%
Indonesia	3,333.00	3,584.00	4,042.00	4,167.00	77.0%
Ethiopia	3 383	3 387	3 463	3 656	0.26
Mexico	2 354	2 354	2 354	2 354	0.0%
Philippines	2 150	2 175	2 175	2 175	0.4%
Vietnam	1 600	1 694	1 869	2 025	0.82
India	1 829	1 917	1 917	1 917	0.16
Venezuela	1 650	1 650	1 650	1 650	0.0%
Colombia	1 341	1 439	1 470	1 561	0.52
Thailand	856.00	1 108	1 148	1 213	0.12
Importing countries	96 621	98 782	102 346	103 064	0.22
European Union	40 765	41 018	41 869	41 799	0.8%
USA	22 044	22 232	23 417	23 761	0.25
Japan	7 015	7 131	7 435	7 494	0.22
Russia	3 695	3 767	3 775	4 033	0.30
Canada	3 574	3 498	3 514	3 913	0.31
Algeria	1 942	2 117	2 125	2 154	0.35
South Korea	1 801	1 714	1 760	1 910	0.20
Australia	1 407	1 631	1 542	1 543	0.31
Ukraine	1 324	1 238	1 338	1 215	(0.28)
Saudi Arabia	1 000	1 186	1 186	1 186	0.59
Switzerland	1 035	1 047	1 123	1 028	-0.2%

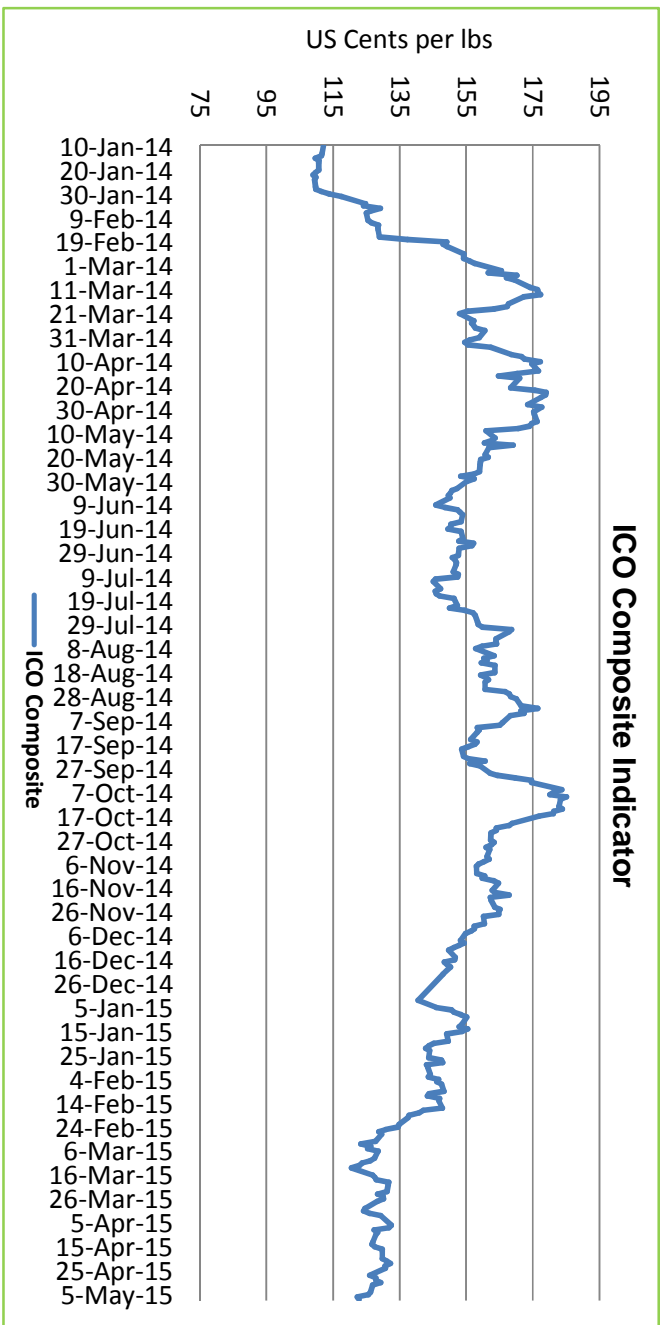
Source: ICO

International Coffee Price Trend

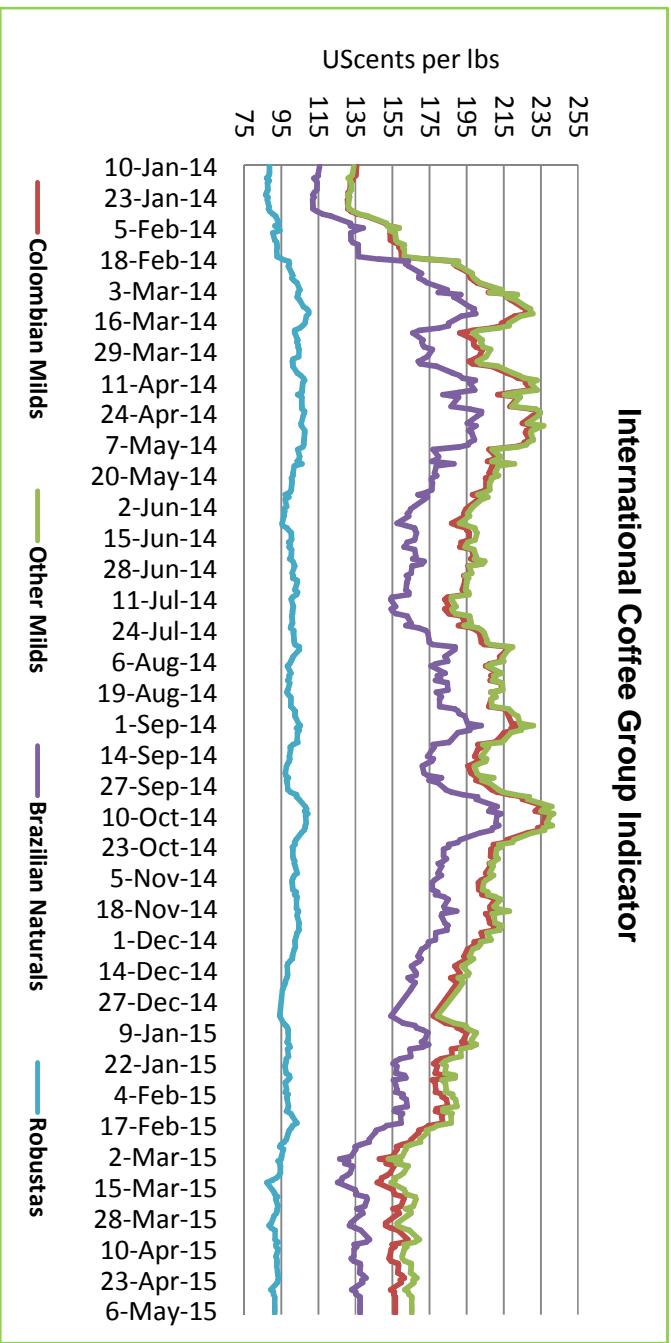
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	7.5.2015	30.4.2015	7.4.2015	7.5.2014
ICO Composite Indicator	122.83	129.31	131.76	174.01
Colombian Milds				
US	148.59	152.50	159.75	226.75
Europe	--	161.04	163.21	223.46
Group Indicator	--	156.43	161.34	225.24
Other Milds				
US	157.74	163.44	169.19	227.25
Europe	--	166.67	165.68	226.94
Group Indicator	--	165.44	167.01	227.06
Brazilian Naturals				
US	128.89	128.50	136.75	182.00
Europe	--	140.61	142.21	200.67
Group Indicator	--	137.46	140.79	195.82
Robusta				
US	87.88	98.25	99.58	111.92
Europe	--	90.11	91.85	106.15
Group Indicator	--	91.41	93.08	107.07

Germany Market - Hamburg and Bremen, France Market - (Le Havre 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(8-May-2015)	Week ago (1-May-2015)	Month Ago (8-Apr-15)	Weekly Change (%)
May-15	132.90	133.45	135.70	-0.41
Jul-15	134.65	134.20	138.75	0.33
Sep-15	137.35	136.90	141.65	0.32

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(8-May-2015)	Week ago (1-May-2015)	Month Ago (8-Apr-15)	Weekly Change (%)
May-15	1717	1732	1817	-0.86
Jul-15	1758	1772	1840	-0.79
Sep-15	1784	1796	1854	-0.66

USC/lb

USD/T

International Coffee Prices

	8.5.2015	1.5.2015	8.4.2015	8.5.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	36850	37900	20650	39350
Vietnam FOB (2-5 pct)* (Saigon port)	1835	--	1840	1963
Indonesian FOB (4-80 defects)** (Lampung Port)	1970	1990	1840	2160

*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 (July'2015Contract) at ICE Future



Weekly Technical Outlook:-

- Candlestick chart shows continuous down momentum in the market.
- However, slight up 14 days EMI hints further rising phase of the market.
- Falling volume and prices indicate short build up in the market.
- Relatively, RSI is slight up at 38.12 compared to last week movement at 37.95 indicating towards a uptrend in the next week.
- We expects steady to upside momentum 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>	123-141

US cents/lb

Expected Support and Resistance

S2	S1	PCP	R1	R2
118.02	122.91	132.90	140.44	147.78

US cents/lb

Technical Analysis of Coffee Future (July' 2015Contract) at LIFFE



Weekly Technical Outlook:-

- Candlestick chart illustrates bearish trend of the market.
- Relatively, 14-days EMI is moving down at 1820 from 1835 of last week record indicating further a down phase in the market.
- Fibonacci retracement level on down wave shows first support level at 1611@23.6% level and resistance level at 1838@ 50% 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>	1612-1835

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1543	1611	1717	1838	1940

USD/T

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