

### Highlights of the Week

**Mixed trend are continued in Karnataka market on mixed trading activities during this week ended as on 18th May 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.

**According to the recently released data by the Coffee Board of India, planted area of coffee** in Karnataka, Kerala and Tamilnadu is estimated at 2.30 lakh hectares, 0.85 lakh hectares, 3.15 lakh hectares respectively in 2013/14 which is same as compared to 2012/13 coffee planted area. However, planted area in Andhra Pradesh, Odisha and North Eastern Region is placed higher by 5.52 % to 0.61 lakh hectares and 3.32% to 4066 hectares and 4.81% to 6330 respectively in 2013/14 against 0.58 lakh hectares, 3935 hectares and 6039 hectares respectively in 2012/13.

**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.

**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.

**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

Provisional Indian green coffee exports is registered down by 15.99% to 103451 metric tonnes from 1st January 2015 to 15th May 2015 as compared to 123155 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 51.09% to 28471 metric tonnes in this year during 1st January 2015 to 15th May 2015 from preceding year instant coffee volume i.e. 18913 metric tonnes. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 40.77% to 18540, 23.60% to 6568 metric tonnes respectively against last year exports volume i.e. 31306 metric tonnes, 8597 metric tonnes respectively in the same period of time.

Below table shows Indian coffee exports volume details:-

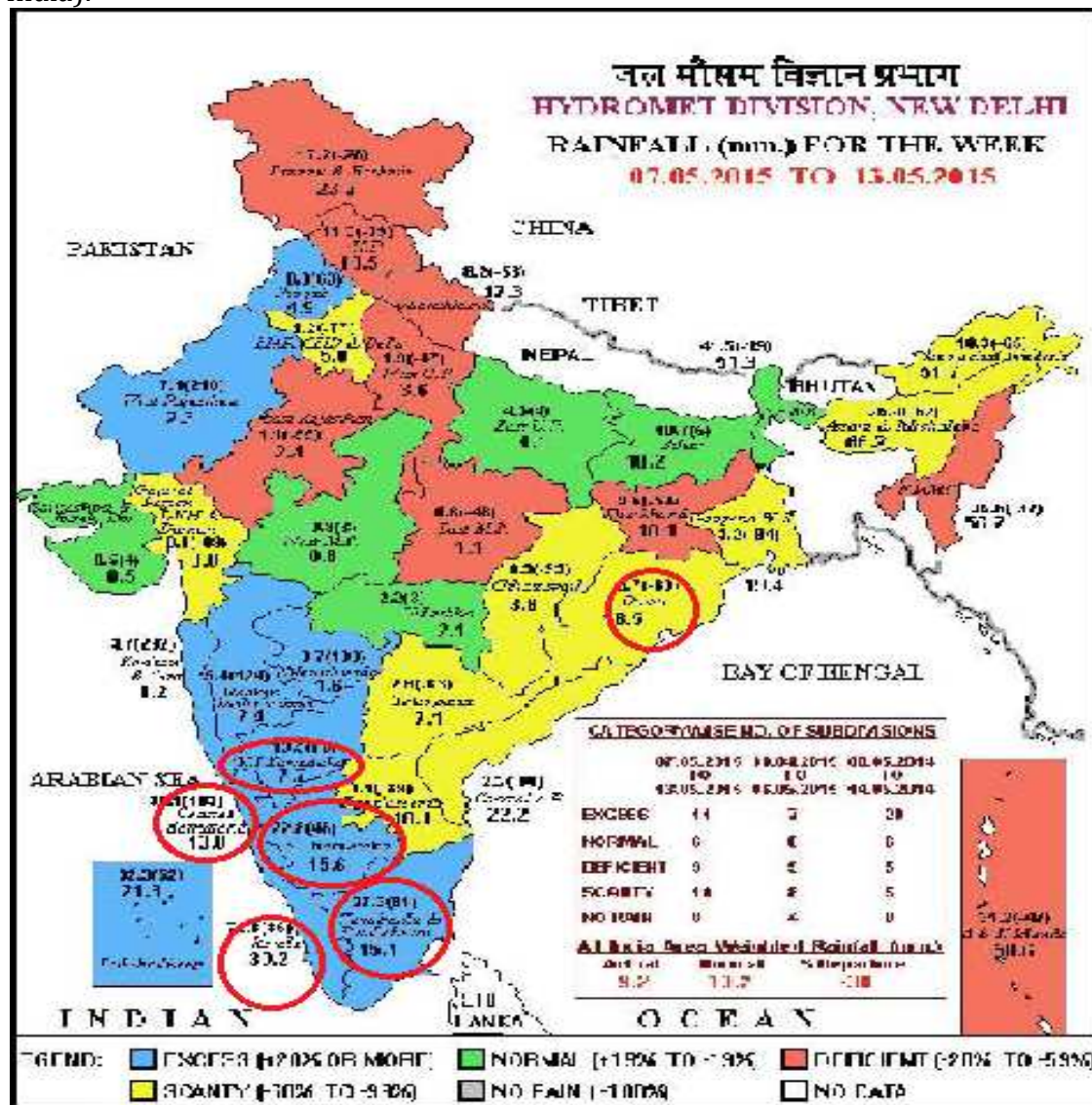
**Export update:** From 01<sup>st</sup> January 2015 to 15th May 2015 (in metric tonnes)

	INDIAN COFFEE	Ar.Pmt	Ar.Chy	Rob.Pmt	Rob.Chy	Roasted seeds	R & G	Instant	Total
1	Provisional exports (Indian coffee)	18540	6568	14221	56615	12	127	7368	103451
2	Provisional exports corresponding period last year	31306	8597	10355	55482	36	101	17277	123155
3	Provisional re-exports	0	0	0	0	42	63	28471	28577
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	18913	18913
5	Total provisional exports (1+3)	<b>18540</b>	<b>6568</b>	<b>14221</b>	<b>56615</b>	<b>54</b>	<b>190</b>	<b>35839</b>	<b>132028</b>
6	Total provisional exports corresponding period last year (2+4)	<b>31306</b>	<b>8597</b>	<b>10355</b>	<b>55482</b>	<b>36</b>	<b>101</b>	<b>36190</b>	<b>142068</b>

Source: The Coffee Board Of India

### Weather Updates

Below Map shows weekly rainfall scenario of India:- (Source-IMD) (Circle Means Coffee belts of India):-



- Thunderstorm activity was observed at isolated places over Tamilnadu, Karnataka and Kerala on almost all the days; Odisha on many days; Coastal Andhra Pradesh on one or two days of the week.
- Last week's cyclonic circulation over south Tamilnadu and adjoining Comorin area extended up to 2.1 km above mean sea level on 7th. However, the wind discontinuity from this system to north Madhya Maharashtra across Interior Karnataka became less Marked. The circulation lay centered over south coastal Tamilnadu & neighborhood extending up to 0.9 km above mean sea level on 8th, persisted on 9th and became less marked thereafter.

**Domestic Crops Condition and Production**

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

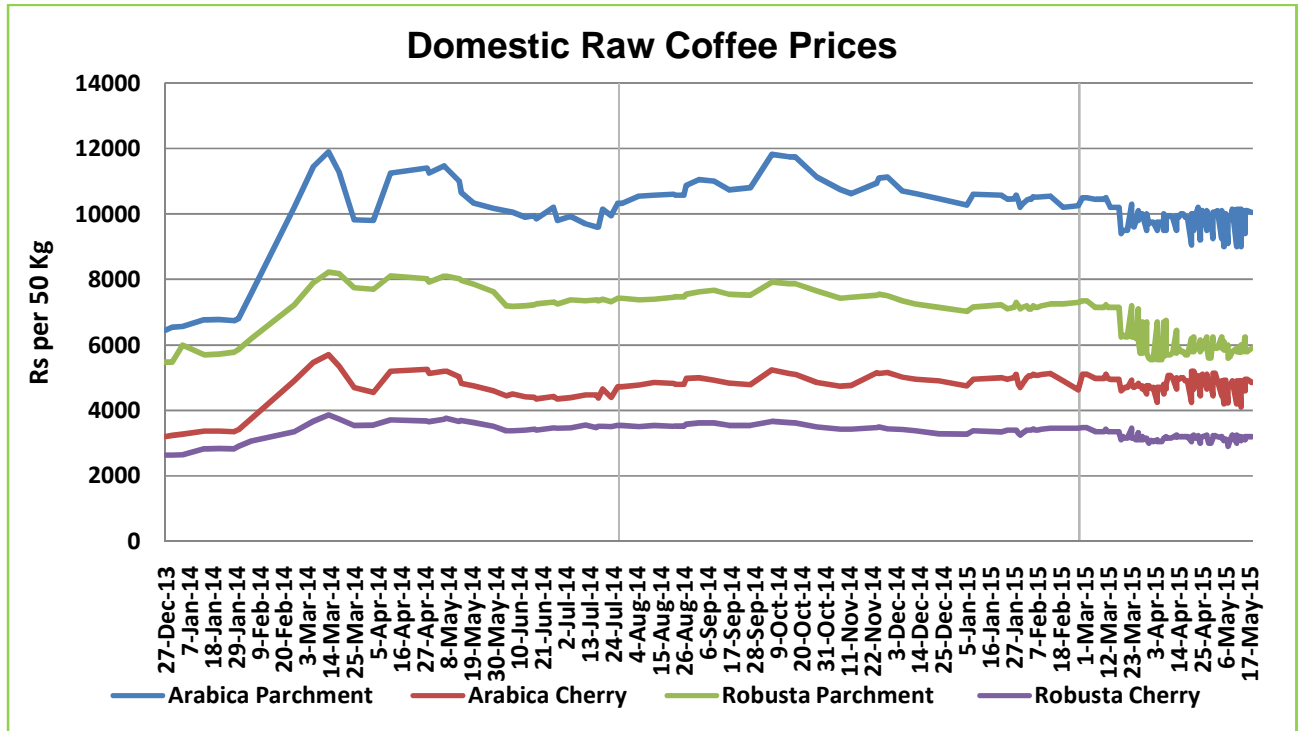
<b>Planted Area of Coffee in Major States/Districts (Zones) of India (In Hectares)</b>							
Sl.	State/District	2013-14			2012-13		
No.		Arabica	Robusta	Total	Arabica	Robusta	Total
<b>I</b>	<b>Karnataka</b>						
1	Chikmagalur	56900	31968	88868	56900	31968	88868
2	Kodagu	27963	76927	104890	27963	76927	104890
3	Hassan	24140	12435	36575	24140	12435	36575
	<b>Sub total</b>	<b>109003</b>	<b>121330</b>	<b>230333</b>	<b>109003</b>	<b>121330</b>	<b>230333</b>
<b>II</b>	<b>Kerala</b>						
1	Wyanad	0	67364	<b>67364</b>	0	67364	<b>67364</b>
2	Travancore	2090	10970	<b>13060</b>	2090	10970	<b>13060</b>
3	Nelliampathies	2085	2850	<b>4935</b>	2085	2850	<b>4935</b>
	<b>Sub total</b>	<b>4175</b>	<b>81184</b>	<b>85359</b>	<b>4175</b>	<b>81184</b>	<b>85359</b>
<b>III</b>	<b>Tamilnadu</b>						
1	Pulneys	10946	949	<b>11895</b>	10946	949	<b>11895</b>
2	Nilgiris	3610	4175	<b>7785</b>	3610	4175	<b>7785</b>
3	Shevroys (Salem)	8913	143	9056	8913	143	9056
4	Anamalais (Coimbatore)	2470	338	<b>2808</b>	2470	338	<b>2808</b>
	<b>Sub Total</b>	<b>25939</b>	<b>5605</b>	<b>31544</b>	<b>25939</b>	<b>5605</b>	<b>31544</b>
<b>IV</b>	<b>Non Traditional Areas</b>						
1	Andhra Pradesh	61075	268	<b>61343</b>	57863	268	<b>58131</b>
2	Odisha	4066	0	<b>4066</b>	3935	0	<b>3935</b>
	<b>Sub Total</b>	<b>65141</b>	<b>268</b>	<b>65409</b>	<b>61798</b>	<b>268</b>	<b>62066</b>
1	North Eastern Region	5127	1203	<b>6330</b>	4860	1179	<b>6039</b>
	<b>Grand Total</b>	<b>209385</b>	<b>209590</b>	<b>418975</b>	<b>205775</b>	<b>209566</b>	<b>415341</b>

Source: The Coffee Board Of India

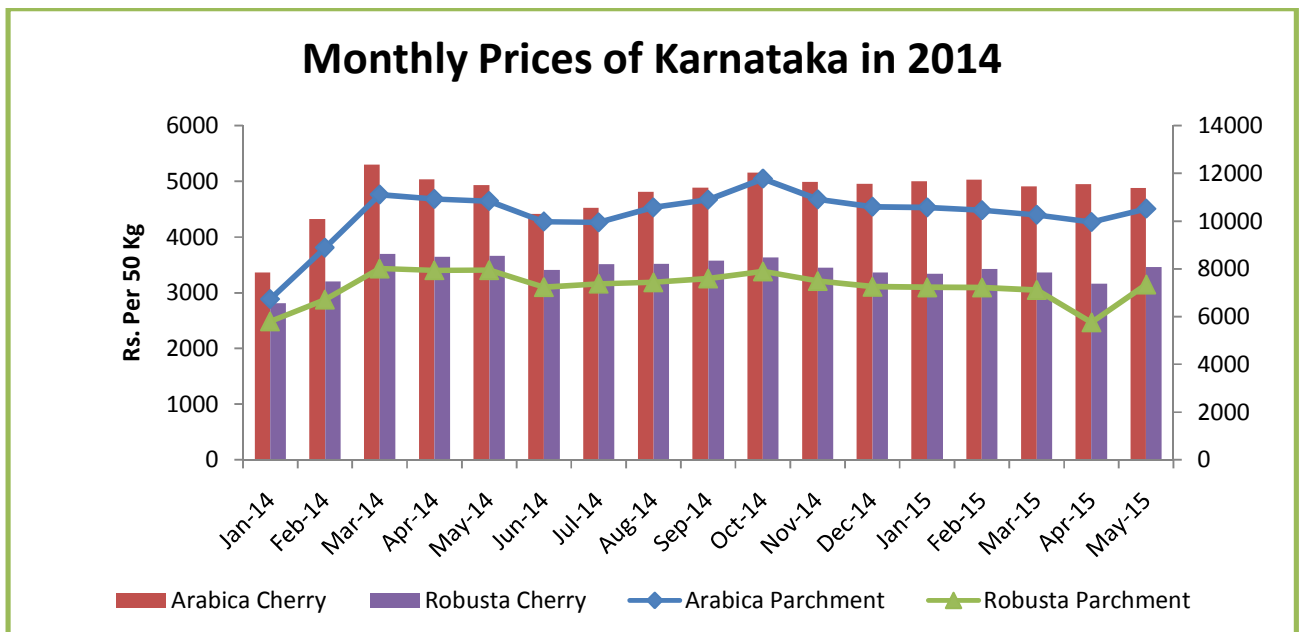


**Coffee Prices of Auction Market & State-wise Market**

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	18.5.2015	11.5.2015	Change
Arabica Parchment	10050	10150	-100
Arabica Cherry	4850	4900	-50
Robusta Parchment	5900	5800	100
Robusta Cherry	3250	3250	Unch

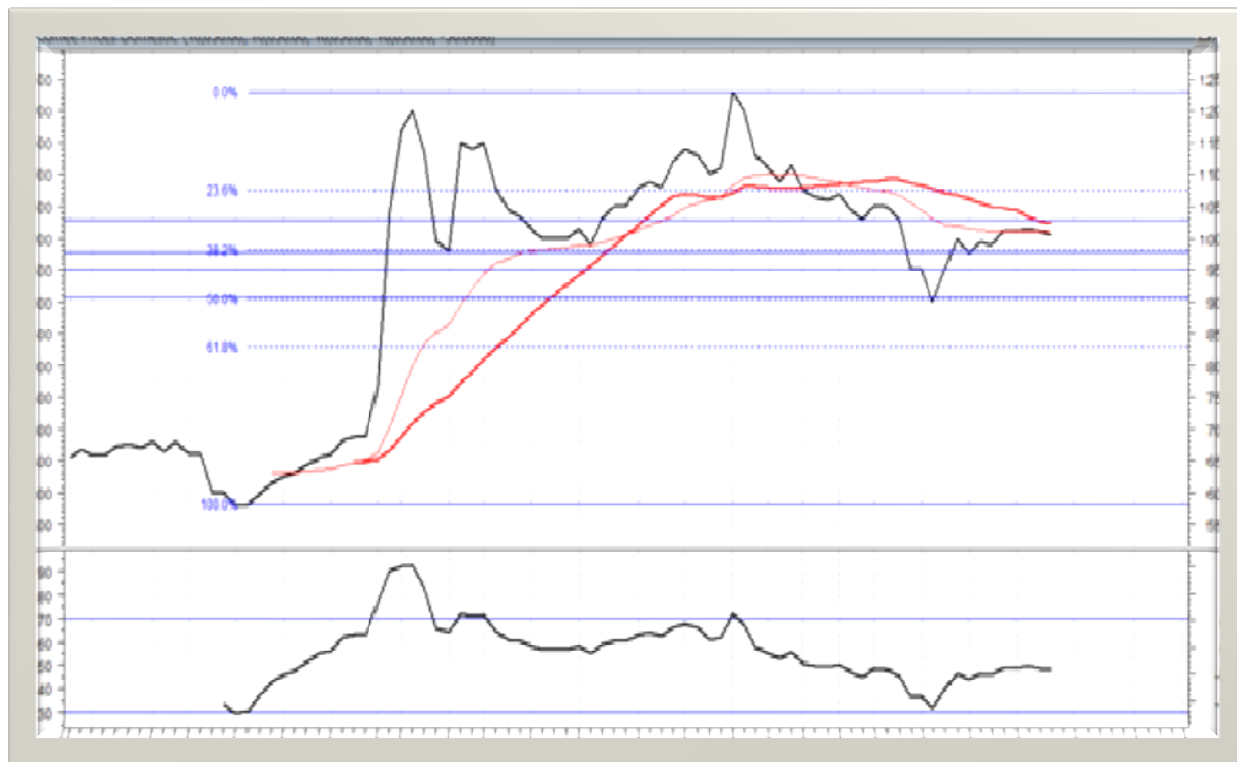
\* Values in Rs per 50 Kg

**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:-**

- Technical chart depict steady to downside momentum in the market.
- RSI is moving in neutral region at 48.06 in this week against 49.60 hints further sideways to bearish trend of the market.
- Relatively, simple moving average supports towards falling zone of the market in week ahead.
- We may see declining phase of the market 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>9800-10300</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>
9490.77	9784.61	10050	10293.94	12292.10

Units in Rs./50 kg.

**International Market Updates:**

**Weekly Future 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. As per exchange data, certified robusta **coffee** stocks held in ICE-nominated warehouses rose to 178,100 tonnes at May 11, 2015 up from 175,490 tonnes at April 27.

**United States:-** According to the Green Coffee Association, U.S. green **coffee** stocks rose by 168,969 bags to 5.2 million 60-kg bags by the end of April.

Ports	Total Exchange & Non-Exchange	Change From Last Date
New York	1819152	108651
New Orleans	681081	9331
Jacksonville	347000	24000
Miami	157206	3816
Houston	445015	27,582
Lardeo	37723	5749
Sanfrancisco	551,743	33225
Norfolk	390894	26575
Philadelphia	7035	314
Seattle/Tacoma	157935	14000
Los Angeles/long Beach	131,882	-1993
Baltimore	322,468	6509
South Carolina	154944	26142
Total USA	5204078	168969

Source: Reuter

**Brazil:-** According to Brazilian analyst Safras & Mercado recent forecast 2015/16 **coffee** crop of 50.4 million bags, with 36.1 million bags of arabica and 14.3 million bags of robusta, in its first forecast for the crop. Safras also raised its outlook for the 2014/15 crop now being harvested to 49.8 million bags from 48.9 million bags previously, citing rainfall in the first few months of 2015 after a long period of drought.

**Vietnam:-** As per Vietnam Customs, Vietnam shipped 104,000 tonnes (1.73 million bags) of coffee in April, down 20 percent from a month earlier.

April exports brought Vietnam's total coffee shipment in the first four months of this year to 477,000 tonnes, plunging 40.7 percent from a year ago. Traders had forecast

April's coffee exports at 100,000-120,000 tonnes, while the government estimated it at 120,000 tonnes.

### Global Production Of The Coffee

Below are estimates for **coffee** output (in millions of 60-kg bags) for the July 2015-June Mercon2016 crop:

Source	Date Issued	2014/15	2015/16	Robusta	Arabica	Global Production Forecast 2014/15	Supply/Demand 2014/15
U.S. Attached	12-May-15	51.2	52.4	14.4	38		
IBGE	12-May-15		42.5	11	31.4		
Volcafe	4-May-15	49.2	51.9	16.4	35.5		
Mercon	27-Apr-15	50.5	50.3				
Marex Spectron	27-Apr-15	49.5	49				
Citi	12-Apr-15	48	48				
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
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					
Spicete Generale	25-Nov-14					148.4	1.2
Volcafe	21-Nov-14	47				141.5	-10

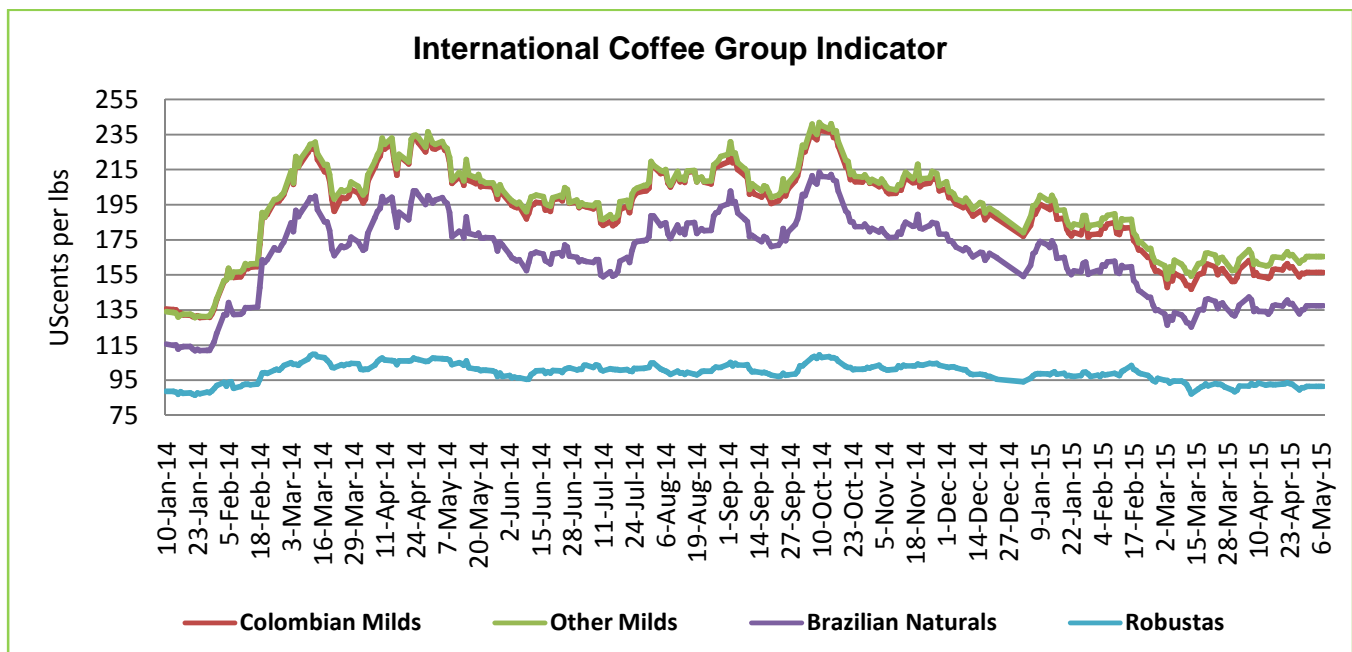
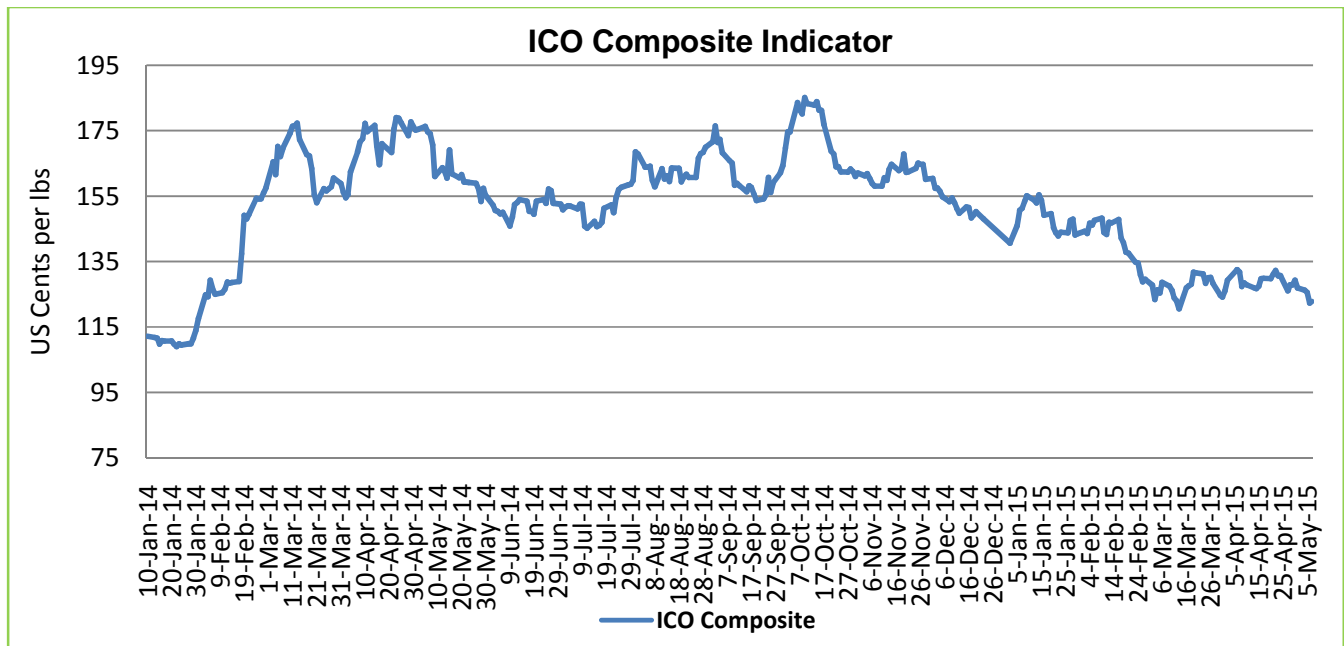
Source: Reuter



**International Coffee Price Trend**

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	15.5.2015	8.5.2015	15.4.2015	15.5.2014
<b>ICO Composite Indicator</b>	127.55	124.98	127.50	169.06
<b>Colombian Milds</b>				
US	155.40	151.08	152.25	220.50
Europe	--	--	156.29	216.24
Group Indicator	--	--	154.11	218.54
<b>Other Milds</b>				
US	163.54	160.04	162.19	223.25
Europe	--	--	160.99	218.99
Group Indicator	--	--	161.44	220.61
<b>Brazilian Naturals</b>				
US	135.84	131.26	129.25	177.75
Europe	--	--	135.69	191.67
Group Indicator	--	--	134.01	188.05
<b>Robusta</b>				
US	89.44	89.68	98.83	111.33
Europe	--	--	91.44	104.95
Group Indicator	--	--	92.62	105.97

**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(15-May-2015)	Week ago (8-May-2015)	Month Ago (15-Apr-15)	Weekly Change (%)
May-15	137.20	132.90	135.80	3.23
Jul-15	138.25	134.65	137.35	2.67
Sep-15	140.65	137.35	140.00	2.40

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(15-May-2015)	Week ago (8-May-2015)	Month Ago (15-Apr-15)	Weekly Change (%)
May-15	1701	1717	--	-0.93
Jul-15	1744	1758	--	-0.79
Sep-15	1769	1784	--	-0.84

USC/lb

USD/T

**International Coffee Prices**

	15.5.2015	8.5.2015	15.4.2015	15.5.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	36600	36850	20650	40800
Vietnam FOB (2-5 pct)* (Saigon port)	1782	1835	1985	2060
Indonesian FOB (4-80 defects)** (Lampung Port)	1990	1970	1985	2110

\*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 (12/05/2015)	Average Prices In	Prices Last Auction In (05/05/2015)
Arabica AA	143-266	230.91	86-313
Arabica AB	133-233	200.05	78-250
Arabica C	97-195	160.73	57-221
Arabica PB	110-222	182.57	86-225
Arabica T	49-148	101.62	22-154
Arabica TT	85-206	175.77	20-215

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



**Weekly Technical Outlook:-**

- Candlestick chart depicts a recovery in the market.
- However, slight down 14 days EMI hints further down phase of the market.
- Falling volume and rising prices indicate short covering in the market.
- RSI is slight up at 39.58 compared to last week movement at 39.12 indicating towards a uptrend in the next week.
- We expects steady to upside momentum in upcoming days.

**Expected Price Range During Coming Week**

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	134-148

US cents/lb

**Expected Support and Resistance**

S2	S1	PCP	R1	R2
126.01	133.21	137.2	148.96	158.41

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 1783 from 1820 of last week record indicating further a down phase in the market.

**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>1653-1790</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>1652</b>	<b>1701</b>	<b>1791</b>	<b>1838</b>

USD/T

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