Highlights of the Week

Weak tone were witnessed in Karnataka market on lackluster demand mainly by local traders during this week ended as on 25th May 2015. Uncured Coffee Bean Farm gate prices of Arabica Parchment is registered higher by 0.74% to 10,086,0.31% up at 9983 and 5.25% to 10320 Rs. per 50 kg bags respectively in major producing centers like Chikmagalur, Sakeleshpur and Madikeri during 2015 due to higher demand against lower crop estimates for 2014/15 as compared to the average Arabica parchment prices in 2014 i.e. 9983, 10086, 9983, 10320 Rs. per 50 kg bags respectively. Now, Farmers are growing mainly black pepper in the belt of Arabica plantations because prices of black pepper have risen last year from Rs. 400 per kg to Rs. 700 per kg in this year. Moreover, other crops like oak, areca nut, orange and cardamom are the income source of coffee states planters. Some of the factors like rising inputs costs and specific subsidy elimination for fertilizer and diesel have raised production costs for planters in this year.

Total sharing of India in coffee production and exports of the world is about 4%. The Arabica plants are self-pollinating and are typically grown at higher elevation under rain-fed conditions. The plants are grown under shade to prevent large variation in soil temperature and moisture levels and protect the plants in case of heavy rain falls. Arabica is a deep rooted plant as a result plants are able to sustain from drought condition however, Robusta is a shallow roots needs irrigation during the season. According to USDA recent released data, India may produce total 5.2 million 60 kg bags in marketing year (2015/16) which is higher than the 2014/15 production estimate due to higher Arabica and Robusta crop production in expectation of favorable blossom showers in 2015/16. Arabica production is likely to bear slightly higher fruits against previous year because aging plantation continue to be replaced and replanted.

As per the Coffee Board of India, provisional Indian green coffee exports is registered down by 15.62% to 108906 metric tonnes from 1st January 2015 to 22nd May 2015 as compared to 129075 metric tonnes of previous year exports during the same period of time. India re-exports maximum Instant type of coffee which is recorded down by 57.39 at 7733 metric tonnes in this year during 1st January 2015 to 22nd May 2015 from preceding year instant coffee volume i.e. 18151 metric tonnes. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 40.47% to19288, 25.32% to 6708 metric tonnes respectively against last year exports volume i.e. 32402 metric tonnes, 8983 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 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.

Exports and Imports of India

According to the recent released data by the Coffee Board Of India, Coffee production of the world is likely to come down by 3% to 141850 (000 bags of 60 kg bags) in 2014/15 against 146745 (000 bags o 60 kg bags) in 2013/14 due to lower crop size estimates in Brazil. While, India is expected to grow higher 9% to 5517 (000 bags of 60 kg bags) in 2014/15) due to better crop yield especially Robusta crops. Below table shows Global and Indian coffee Production & exports volume details:-

	Production			Exports		
Year	World	India @	India's Share(%)	World#	India@	India's Share(%)
1993-94	90366	3533	3.91	73911	2907	3.93
1994-95	95154	3002	3.15	65718	2070	3.15
1995-96	85250	3717	4.36	74014	3572	4.83
1996-97	101865	3417	3.35	81745	2476	3.03
1997-98	95872	3805	3.97	77806	3685	4.74
1998-99	106163	4417	4.16	82554	3442	4.17
1999-00	115117	4867	4.23	92282	4214	4.57
2000-01	116619	5020	4.30	89248	4229	4.74
2001-02	108451	5010	4.62	90564	3730	4.12
2002-03	123723	4588	3.71	90007	3567	3.96
2003-04	103982	4508	4.34	87527	3826	4.37
2004-05	116062	4592	3.96	91095	2790	3.06
2005-06	111247	4567	4.11	85648	3359	3.92
2006-07	128209	4800	3.74	98143	4150	4.23
2007-08	116455	4367	3.75	95271	3569	3.75
2008/09	128636	4372	3.40	98843	3547	3.59
2009/10	123042	4827	3.92	92455	3005	3.25
2010/11	133651	5033	3.77	105557	4647	4.40
2011/12	136583	5233	3.83	104042	5414	5.20
2012/13	147562	5303	3.59	113000	5044	4.46
2013/14	146745	5075	3.46	111300	5029	4.52
2014/15**	141850	5517	3.89	NA	NA	NA

* Production and exports of ICO members, * * - Provisional, subject to revision. Source: # ICO Exports – ICO Coffee Statistics 12/ICA 2007 – January 2014 & Coffee Board. @ Board 's Estimates

Weather Updates

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

RAINFALL DURING PRE-MONSOON SEASON							
Meteorological Sub-Divisions		*19* **May**	***18-May***	**23 May**	**22-May**	**21 May**	**20 May**
		2010	**2011**	**2012**	**2013**	**2014**	**2015**
Odisha	A	43	93	74	78	59	106
	N	98	107	116	114	112	110
	D	-56	-13	-37	-31	-47	-3
Andhra Pradesh	A	24	56	56	55	72	62
	N	70	72	84	82	79	77
	D	-66	-23	-33	-33	-9	-19
Tamil Nadu	A	98	123	88	69	119	226
	N	106	102	113	111	109	107
	D	-8	+20	-22	-38	+10	+112
Coastal Karnataka	A	120	95	86	58	168	194
	N	80	81	114	110	103	94
	D	+49	+16	-25	-47	+62	+105
North Interior Karnataka	A	41	59	63	46	128	110
	N	60	56	65	63	62	59
	D	-31	+5	-3	-28	+108	+86
South Interior Karnataka	A	145	137	162	107	161	204
	N	109	103	119	116	113	109
	D	+34	+33	+36	-7	+43	+86
Kerala	A	255	219	302	160	334	443
	N	284	251	298	291	282	271
	D	-10	-13	+1	-45	+18	+63

- Southwest Monsoon advanced over entire south Andaman Sea and Nicobar Islands, some parts of southeast Bay of Bengal, north Andaman Sea and Andaman Islands on 16th May.

- An upper air cyclonic circulation lay centered over west central Bay of Bengal off Andhra Pradesh coast between 1.5 & 5.8 km above mean sea level on 17th and persisted on 18th.

- Rainfall was excess/normal in 35 and deficient in 1 out of 36 meteorological sub-divisions. (All India Actual: 163.6 mm, Normal: 106.7 mm and Departure: +53).

Domestic Crops Condition and Production

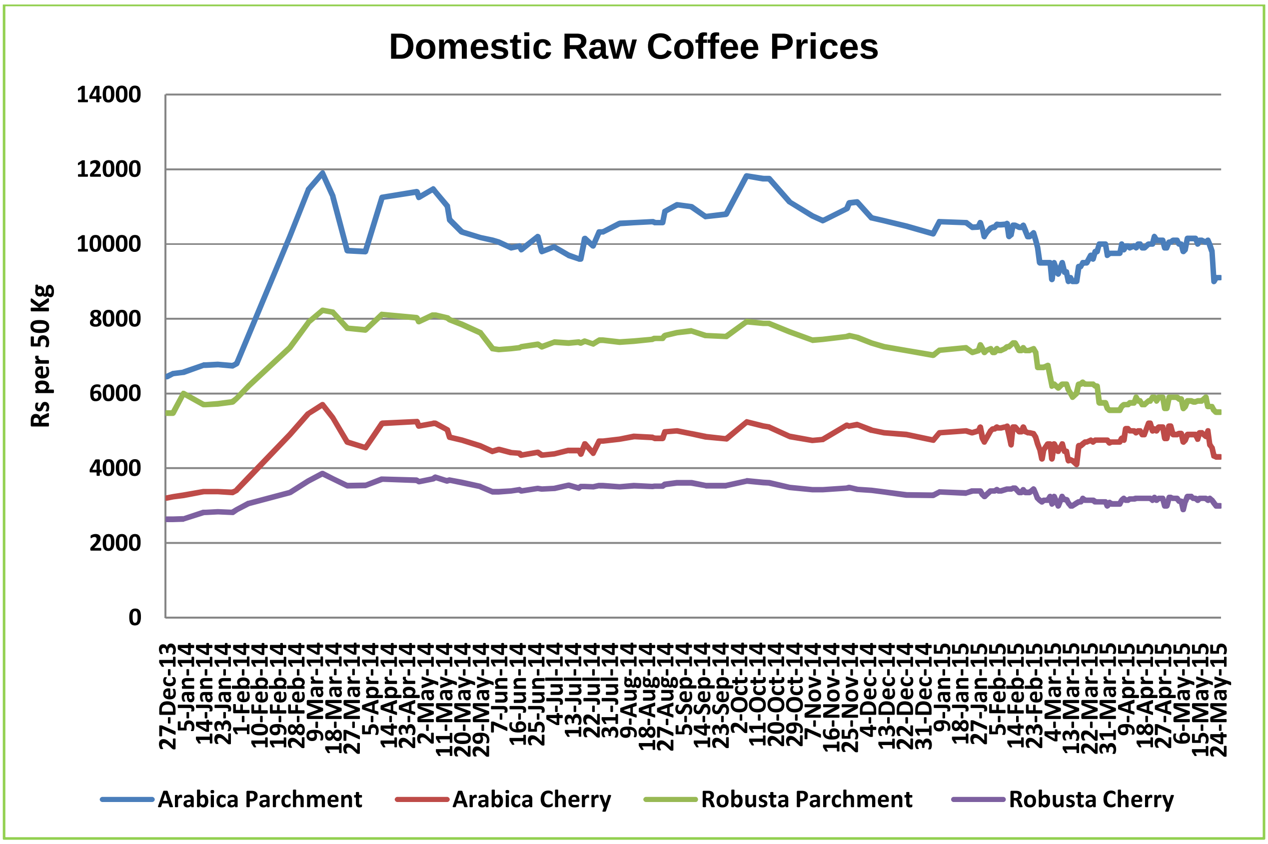
Below table shows updated Planted Area of Coffee in India:-

Executive Summary:						
Coffee, Green Marketing Begin Year	2013/2014		2014/2015		2015/2016	
	Oct 2013		Oct 2014		Oct 2015	
India	Official USDA	New post	Official USDA	New post	Official USDA	New post
Area Planted	411	419	410	412	0	410
Area Harvested	370	381	370	372	0	370
Bearing Trees	568	568	568	553	0	541
Non-Bearing Trees	64	64	64	79	0	91
Total Tree Population	632	632	632	632	0	632
Beginning Stocks	1,982	1,982	2,157	2,026	0	2,271
Arabica Production	1,703	1,703	1,400	1,400	0	1,420
Robusta Production	3,372	3,372	3,700	3,700	0	3,780
Other Production	0	0	0	0	0	0
Total Production	5,075	5,075	5,100	5,100	0	5,200
Bean Imports	1,100	1,104	1,000	1,000	0	1,090
Roast & Ground Imports	3	3	3	3	0	3
Soluble Imports	46	45	42	42	0	42
Total Imports	1,149	1,152	1,045	1,045	0	1,135
Total Supply	8,206	8,209	8,302	8,171	0	8,606
Bean Exports	3,250	3,300	3,421	3,200	0	3,500
Rst-Ground Exp.	6	16	4	4	0	3
Soluble Exports	1,544	1,667	1,600	1,496	0	1,497
Total Exports	4,800	4,983	5,025	4,700	0	5,000
Rst,Ground Dom. Consump.	819	770	770	770	0	800
Soluble Dom.	430	430	430	430	0	450
Domestic Use	1,249	1,200	1,200	1,200	0	1,250
Ending Stocks	2,157	2,026	2,077	2,271	0	2,356
Total Distribution	8,206	8,209	8,302	8,171	0	8,606

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

India: Uncured Coffee Bean Farm Gate Prices in Major Producing Centers, Rs. Per 50 kg

	Chikmagalur		Sakaleshpur		Madikeri	
Year	**Arabica**	**Robusta**	**Arabica**	**Robusta**	**Arabica**	**Robusta**
Average 2009	6,752	1,869	6,418	1,872	6,459	1,929
Average 2010	6,949	1,940	6,894	1,821	6,966	1,870
Average 2011	10,144	2,663	10,151	2,606	10,061	2,600
Average 2012	7,984	3,000	8,053	3,036	8,046	3,036
Average 2013	6,393	2,945	6,411	2,956	6,473	3,056
Average 2014	10,011	3,399	9,952	3,728	9,805	3,349
Average 2015*	10,086	3,222	9,983	3,229	10,320	3,325

Source: The coffee Board of India (1\ Exchange Rate equals Rs. 64.03 per dollar as of May 14, 2015, *Average of data through March 2015, (Rs/kg of clean coffee beans of Arabic Parchment & Robusta Cherry)

Domestic Raw Coffee Prices (Karnataka):

Variety	25.5.2015	18.5.2015	Change
Arabica Parchment	9100	10050	-950
Arabica Cherry	4300	4850	-550
Robusta Parchment	5500	5900	-400
Robusta Cherry	3000	3250	-250

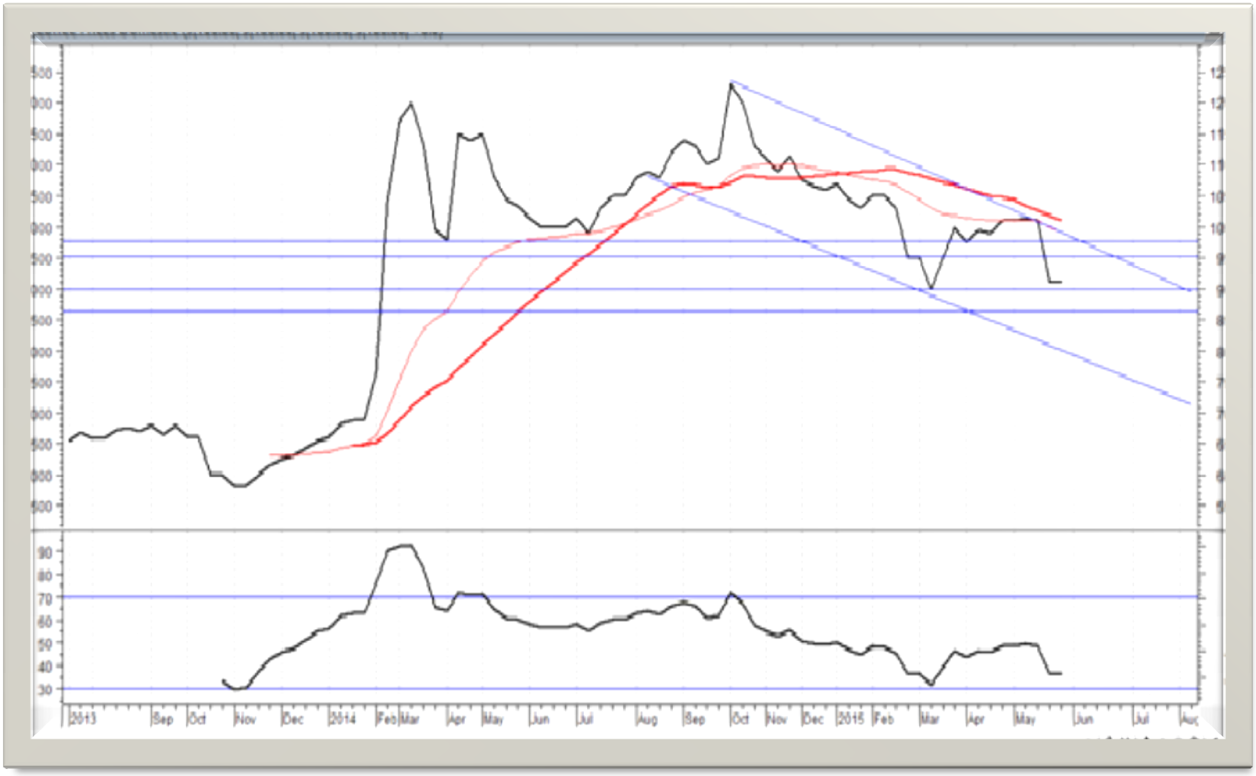
* Values in Rs per 50 Kg

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

Grade	21.5.2015	14.5.2015	Change	21.5.2015	14.5.2015	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	289	--	-	--	--	-
AA	288	--	-	--	--	-
PB	248.5	--	-	--	--	-
A	285	282	3	--	--	-
AB	--	--	-	--	--	-
B	211	213	-2	--	--	-
C	193	190.5	2.5	--	--	-
BBB	157.00	160	-3	--	--	-
Grade	Robusta Parchment	Robusta Parchment		Robusta Cherry	Robusta Cherry	
RKR	--	152	-	--	--	-
A	--	--	-	--	--	-
PB	--	144.5	-	122	--	-
AA	--	--	-	--	--	-
AB	--	--	-	123	--	-
B	--	--	-	--	--	-
C	--	133	-	120	--	-
BBB	--	--	-	114	--	-

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 36.55 in this week against 48.87 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 further falling trend of the market in upcoming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	8990-9490

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
8628.82	8981.41	9100	9510.36	9765.02

Units in Rs./50 kg.

International Market Updates:

Weekly Future Review:- ICE Arabica coffee future prices of July contract went down by 1% to 129.8 USC cents per Ib from 138.25 USC cents per Ib on good crop prospectus of the world in 2015/16 . As per exchange data, certified robusta **coffee** stocks held in ICE-nominated warehouses rose to 178,100 tonnes at May 11, 2015 as compared to 50,760 tonnes as of May 29,2014. CME reduces Nymex coffee (KT) initial margins for speculators by 15% to $ 4675 per contract from $ 5500.

Vietnam:- According to the state forecaster, Vietnam may receive rain in coffee belts like Central highlands, the country largest coffee growing province which were facing dryness last few months. Rainfall may occur in the southern region of Vietnam as well. Farmers have replanted new coffee trees on some farms. Arrivals of timely rain fall may help farmers to their standing and replanted crops.
As per the Vietnam's government data, Vietnam has exported nearly 755,000 tonnes of coffee between October 2014 and April 2015, the lowest since the 2009/2010 season. Vietnam domestic prices inched up this week followed by gain in international market.

Indonesia:- As per USDA recently released data, Indonesia coffee production may surge about 24% in 2015/16 supported by favorable weather condition. Even, coffee consumption is also expected to increase in 2015/16 on account of rising popularity of coffee based beverages and growing middle class choice.

Brazil:- According to ICE exchange data, total 306010 tonnes lots of Conillon (Brazilian Robusta) had been offered through tender as of May 18,2015. which will expired on May 29,2015. Prices of Brazilian Conillon was very competitive to attract buyers. U.S. roasters are the main buyers of Conillon.
According to Coasta, little coffee harvesting of the season 2015/16 in Brazil's Minas Gerais state has been started. Brazil's coffee exports may inch up at 36 million bags in 2015.
On the other hand, Brazil may export 3.5% down to 35 million bags of coffee in 2015 from preceding year exports volume, accrding to Brazil's coffee exporter's association cecafe.

Uganda:- According to the USDA Foreign Agriculture Services (FAS) Nairobi, Uganda may produce higher coffee crop at 3.8 million 60-kg bags in the marketing year 2015/16 against 3.55 million bags in the marketting season 2014/15 after a recovery from drought as suffered in 2014/15 season. Along with that, coffee exports of Uganda is also expected to touch the level of 3.5 million bags in 2015/16.
The coffee production forecast of Tanzania is also placed higher at 1.2 million 60-kg bags in the marketing year 2015/16 supported by improved husbandry practices and favorable weather. On the other hand Tanzania coffee exports is also likely to increase by 20% to 1.2 million bags in 2015/16

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
Spciete 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					
Spciete Generale	25-Nov-14					148.4	1.2
Volcafe	21-Nov-14	47				141.5	-10

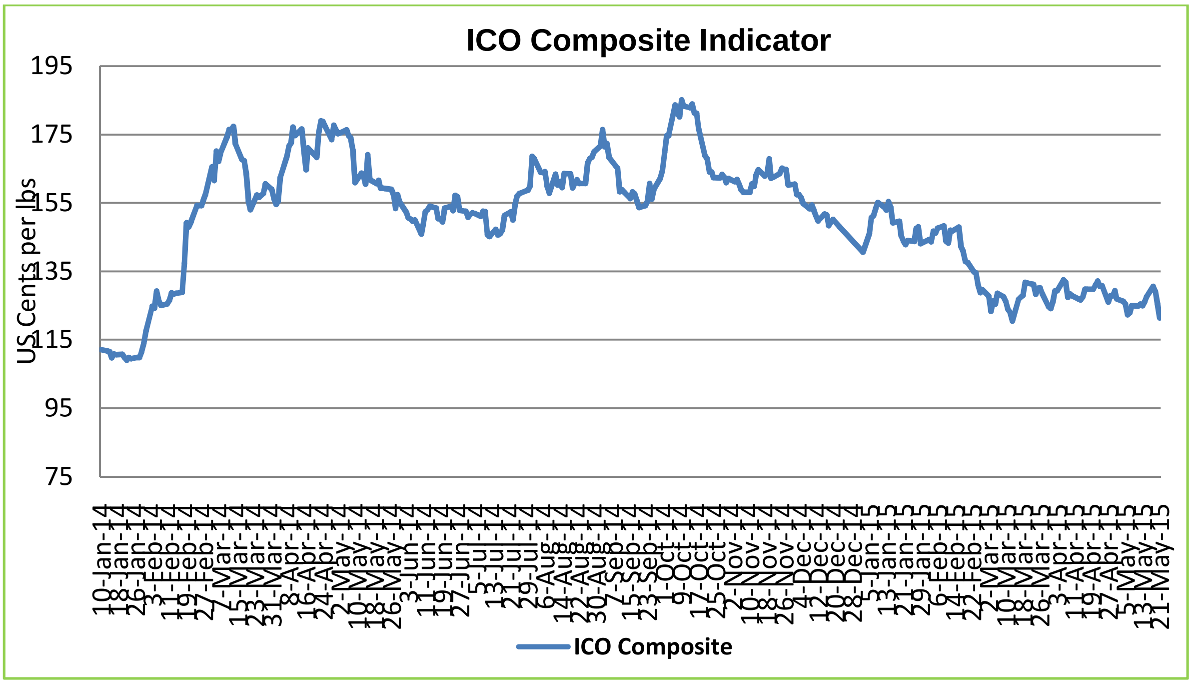
Source: Reuter

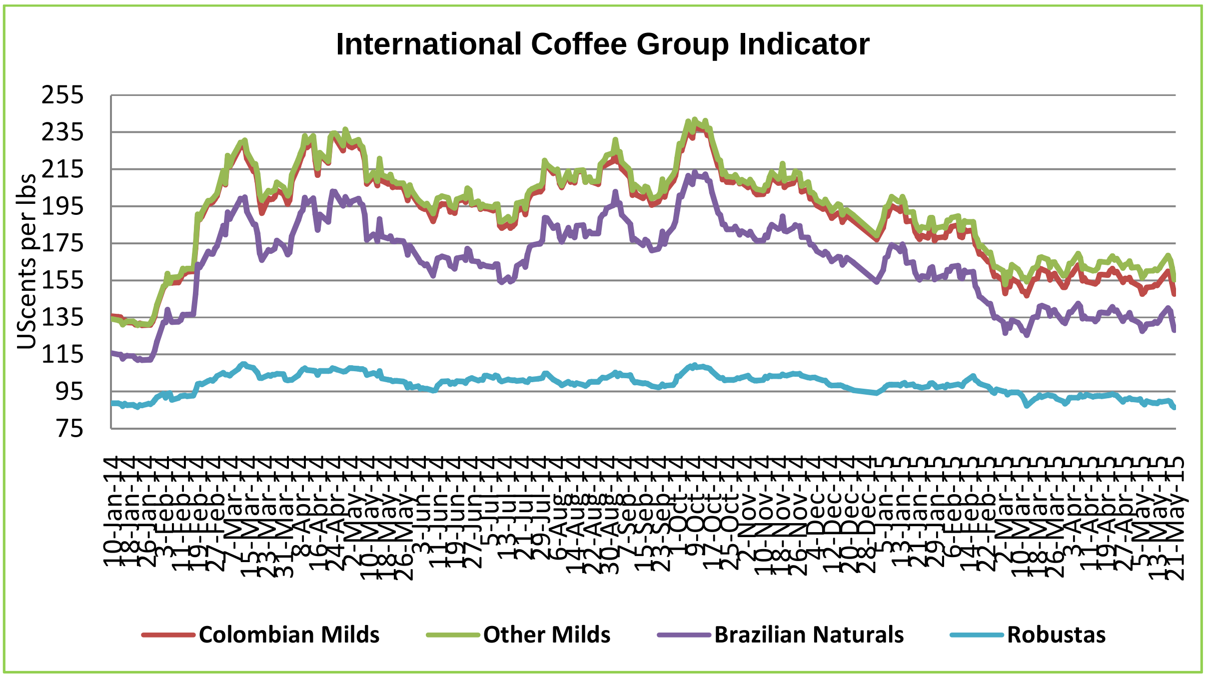
International Coffee Price Trend

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**21.5.2015**	**15.5.2015**	**21.4.2015**	**21.5.2014**
ICO Composite Indicator	121.35	127.55	131.09	159.29
Colombian Milds				
US	147.78	155.4	158.75	205.25
Europe	--	--	161.68	205.18
Group Indicator	--	--	160.1	205.22
Other Milds				
US	155.33	163.54	168.44	207
Europe	--	--	165.52	209.33
Group Indicator	--	--	166.63	208.44
Brazilian Naturals				
US	128.12	135.84	133.75	164.5
Europe	--	--	141.14	180.24
Group Indicator	--	--	139.22	176.15
Robusta				
US	86.34	89.44	100.08	105.58
Europe	--	--	91.81	99.56
Group Indicator	--	--	93.14	100.53

Germany Market – Hamburg and Bremen, France Market – (Le Havere 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(22-May-2015)	Week ago (15-May-15)	Month Ago (22-Apr-15)	Weekly Change (%)
May-15	126.95	137.20	142.40	**-7.47**
Jul-15	129.80	138.25	143.65	**-6.11**
Sep-15	133.65	140.65	146.30	**-4.98**

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(22-May-2015)	Week ago (15-May-15)	Month Ago (22-Apr-15)	Weekly Change (%)
May-15	1589	1701	1820	**-6.58**
Jul-15	1626	1744	1841	**-6.77**
Sep-15	1651	1769	1863	**-6.67**

USC/Ib

USD/T

International Coffee Prices

	21.5.2015	15.5.2015	21.4.2015	21.5.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	37100	36600	20900	39500
Vietnam FOB (2-5 pct)* (Saigon port)	1843	1782	1985	1972
Indonesian FOB (4-80 defects)** (Lampung Port)	1865	1990	1985	2150

***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 fall in the market on sellers interests.
- Falling 14 days EMI hints further down phase of the market.
- Rising volume and falling prices indicate short build up phase of the market.
- RSI is quoted down at 36.58 compared to last week movement at 39.58 indicating towards a downtrend in the next week.
- We expects steady to weak momentum in upcoming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	122-146

US cents/lb

Expected Support and Resistance

S2	S1	PCP	R1	R2
109.47	121.27	126.95	147.97	162.87

US cents/lb

COFFEE WEEKLY RESEARCH REPORT
25th May, 2015

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

Weekly Technical Outlook:-

- Candlestick chart illustrates weak tone in the market.
- Relatively, 14-days EMI is moving down at 1767 from 1783 of last week indicating further a fall in the market.
- RSI is also down at 30.62 which is near to break the neutral region zone against 39.58 of last week shows a declining phase of the market in upcoming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1653-1790

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1611	1652	1701	1791	1838

USD/T