Highlights of the Week

A firm tone witnessed in Karnataka market supported by global prices trend during this week ended as on 5th June 2015.Further, domestic price trend is expected to stay with steady to slight upside zone on mixed demand by roasters and exporters. In long run, higher crop estimates for 2015/16 will weigh on coffee prices. In the current situation, most of the farmers are growing black pepper in the coffee area on its higher prices in 2014.

As per sources, India is likely to produce higher Arabica coffee crop to 108,000 tons in 2015/16 season supported by higher than normal rainfall since March -2015 which helped berries grow successfully and helping crops further to be protected from pests i.e. the White stem borer. Arabica production may go up by 20% in 2015/16 as per the Coffee Exporters' Association of India. Karnataka which is the main coffee growing state of India received 88% more rainfall than normal since the start of March-2015 to 10th May 2015 which helped coffee flowers to blossom on a right stage and farmers were able to add fertilizer on time as well. The coffee for the season 2015-16 of Arabica and Robusta have flowered during February for Robusta and April-May for Arabica since early rains during Feb-15 and March-15 helped it. The picking for Arabica will start in December-2015 and Robusta during Jan -2016.

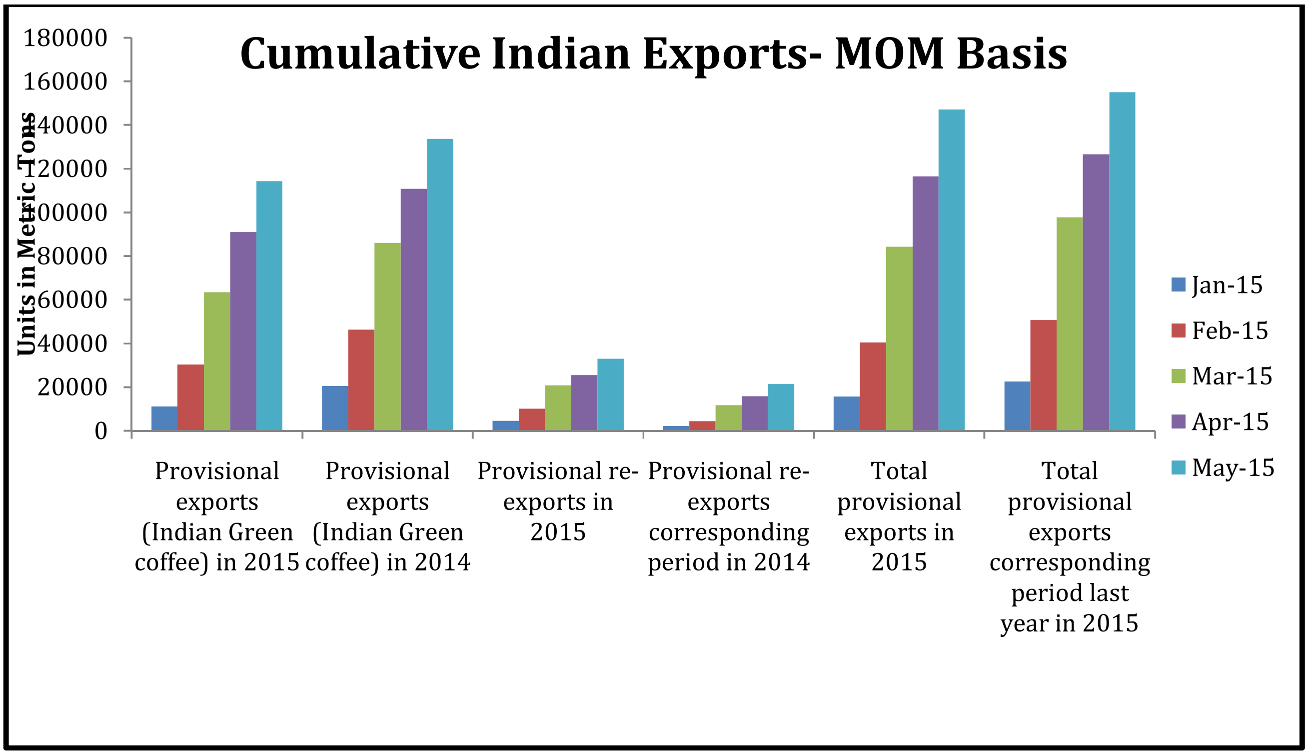
As per the Coffee Board of India, provisional Indian green coffee exports is registered down by13.74% to 116557 metric tons from 1st January 2015 to 2nd June 2015 as compared to 135132 metric tons of previous year exports during the same period of time. India re-exports maximum Instant type of coffee which is recorded down by 55.76 at 8269 metric tons in this year during 1st January 2015 to 2nd June 2015 from preceding year instant coffee volume i.e. 18695 metric tons. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 39.37 % to20679, 22.86% to 7063 metric tons respectively against last year exports volume i.e. 34111 metric tons, 9157 metric tons respectively in the same period of time due to lower demand as Arabica crops in 2014 suffered with diseases. Resultantly, the quality of beans is not as good as expected. Traders expect 5 to 6% fall in Indian coffee exports during 2015-16 season.

According to Reuter, Neumann Kaffee Gruppe forecasts of the global coffee deficit to 3.3 million bags in the 2015/16 crop year significantly lower from 6.5 million bags in 2014/15 due to higher consumption estimates year over year. Further, they placed coffee output of Brazil at 47.3 million bags for 2015/16 season lower than 49.3 million bags in 2014/15, however, up from its earlier given estimates i.e. 45.3 million bags for current crop season. Robusta harvest is forecasted at 16.1 million bags and Arabica is placed at 31.2 million bags. Other sources keep Brazil crop estimates in the range of 44 million bags to 51.9 million bags for 2015/16 season.

Exports and Imports of India

According to the Coffee Board of India, Indian green coffee exports declined by 14.51% to 114201 metric tonsagainst 133589 metric tons in last year during the same period of time on account of slow demand of exporters due to low price quotation. While, re-export volumes surged by 54.05 on good demand during end of May month in 2015 as compared to last year records.

Below table shows Indian Coffee exports volume details:-



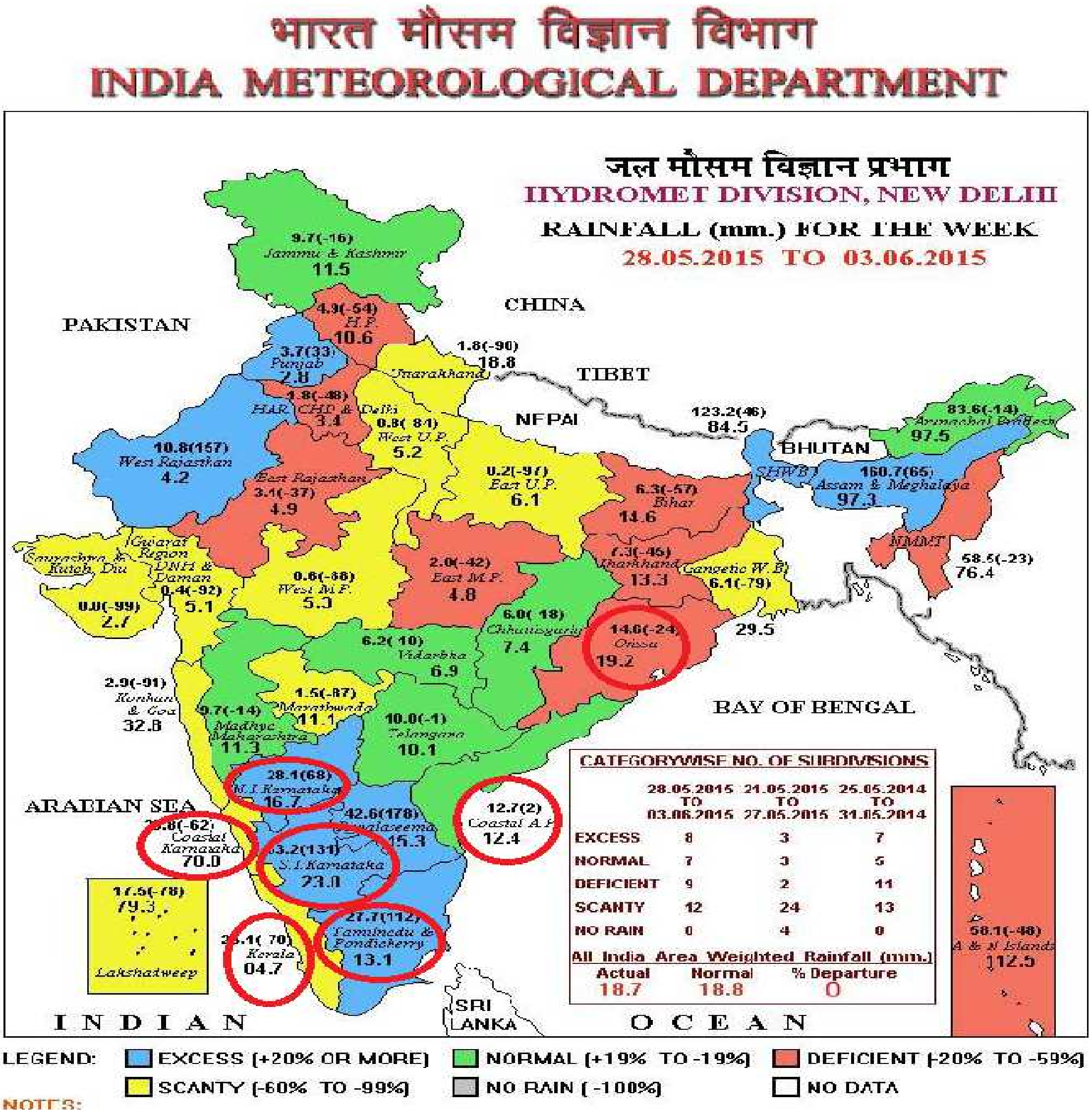
Source: The Coffee Board of India

Month	Provisional exports (Indian Green coffee) in 2015	Provisional exports (Indian Green coffee) in 2014	Provisional re-exports in 2015	Provisional re-exports corresponding period in 2014	Total provisional exports in 2015	Total provisional exports corresponding period last year in 2015
Jan-15	11118	20476	4611	2111	15729	22587
Feb-15	30444	46357	10102	4473	40546	50830
Mar-15	63447	86022	20811	11662	84258	97684
Apr-15	90989	110801	25533	15850	116522	126651
May-15	114201	133589	32976	21406	147177	154995
% change against last year	-14.51		54.05		-5.04	

Source: The Coffee Board Of India

Weather Updates

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



- Rainfall over the country as a whole for the 2015 southwest monsoon season (June to September) is likely to be deficient (<90% of LPA (Long period Average)).
- Region wise, the seasonal rainfall is likely to be 85% of LPA over North-West India, 90% of LPA over Central India, 92% of LPA over South Peninsula and 90% of LPA over North-East India all with a model error of ± 8 %.
- El Nino conditions are likely to strengthen further and reach to moderate strength during the monsoon season. There is about 90% probability of El Nino conditions to continue during the southwest monsoon season.
- Rainfall was excess/normal in 6, deficient/scanty in 26 and no rain in 4 out of 36 meteorological sub-divisions.

Actual Rainfall:-(18.7 mm)	Normal:- (18.8 mm)	Departure:- (0)

Domestic Crops Condition and Production

Balance Sheet Highlight:-

- Total availability of India may inch up this season (Oct'15-Sep'16) due to higher production and opening stock estimates supported by higher Arabica and Robusta crop production forecast on account of favorable blossom flowers which may help to increase crop yields.

- Total consumptions and exports are expected to go up in expectation of good demand from overseas of the current season crop on better quality beans availability.

- Relatively, ending stocks may increase as well on higher crop production. It is forecasted to reach at 2356 thousands 60- kg bags in 2015/16 marketing year higher than 2271 thousands-60 kg bags in 2014/15 marketing year.

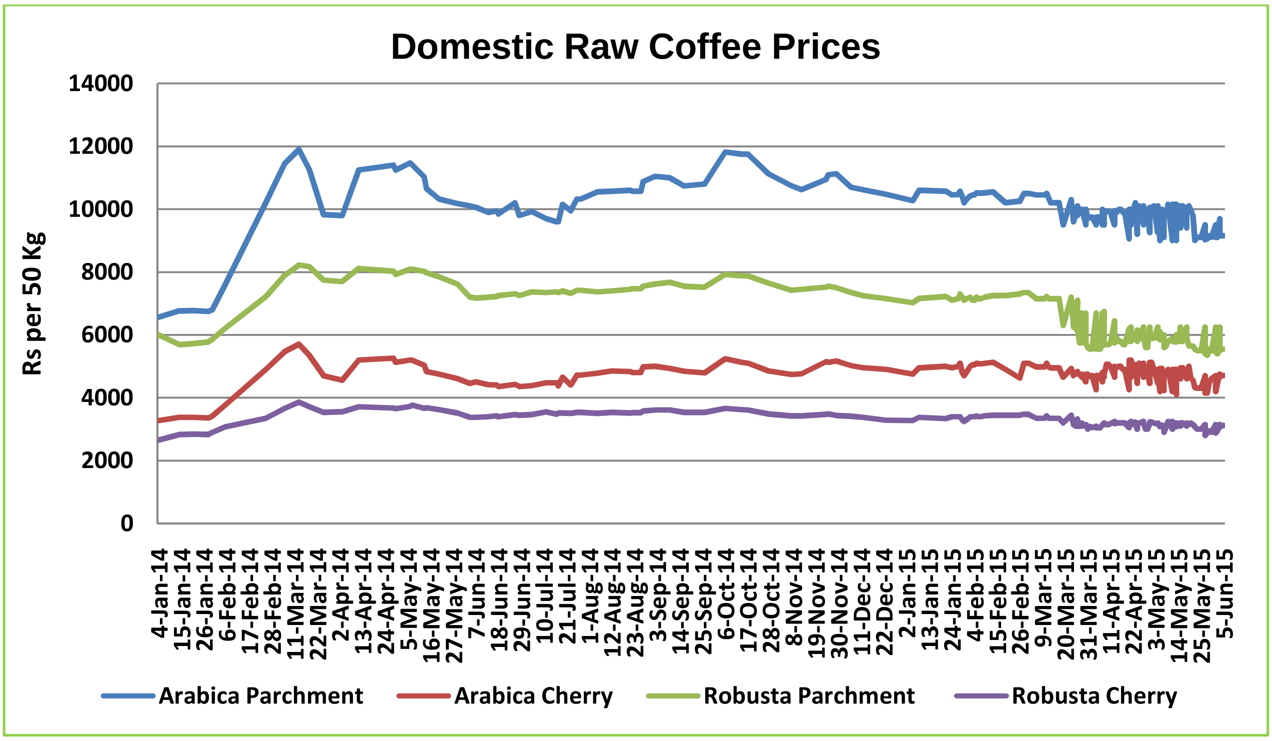
Below chart shows domestic coffee balance sheet since 2011-12 to 2014-15:-

All figures in Thousands-60 kg bags					
Item	**2015-16***	**2014-15**	**2013-14**	**2012-13**	**2011-12**
Supply					
Opening Stock	2271	2026	1982	1473	1742
Crop Size	5200	5100	5075	5303	5230
Imports	1135	1045	1149	1164	892
Availability	8606	8171	8206	7940	7864
Demand					
Soluble Domestic Consumption	450	430	430	350	380
Roasted, Ground Dom. Consumption	800	770	819	750	788
Total consumption	1250	1200	1249	1100	1168
Exports	5000	4700	4800	4858	5223
Total Demand	6250	5900	6049	5958	6391

Source: USDA (* Indicates Projection)

Coffee Prices of Auction Market & State-wise Market

Below mentioned charts depicts domestic raw coffee prices and monthly prices in 2014/15:-



Source: Agriwatch

India:UncuredCoffeeBeanFarmGatePricesin Major Producing Centers, Rs. Per 50 kg						
	Chikmagalur		Sakaleshpur		Madikeri	
Year	Arabica	Robusta	Arabica	Robusta	Arabica	Robusta
Average2009	6,752	1,869	6,418	1,872	6,459	1,929
Average2010	6,949	1,940	6,894	1,821	6,966	1,870
Average2011	10,144	2,663	10,151	2,606	10,061	2,600
Average2012	7,984	3,000	8,053	3,036	8,046	3,036
Average2013	6,393	2,945	6,411	2,956	6,473	3,056
Average2014	10,011	3,399	9,952	3,728	9,805	3,349
Average2015*	10,086	3,222	9,983	3,229	10,320	3,325

Source: The Coffee Board Of India

Domestic Raw Coffee Prices(Karnataka):

Variety	05.6.2015	01.6.2015	Change
Arabica Parchment	9150	9100	50
Arabica Cherry	4700	4200	500
Robusta Parchment	5550	5450	100
Robusta Cherry	3120	2875	245

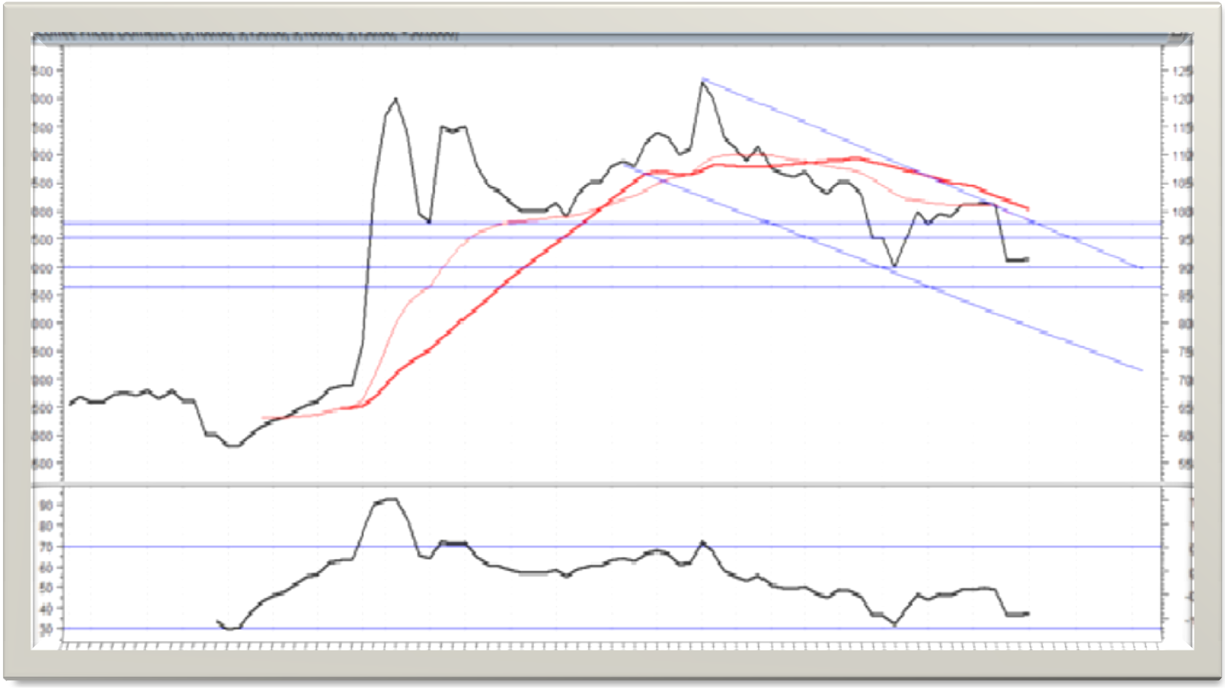
*** Values in Rs per 50 Kg**

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

Grade	28.5.2015 Arabica Plantation	21.5.2015 Arabica Plantation	Change	28.5.2015 Arabica Cherry	21.5.2015 Arabica Cherry	Change
MNEB	283	289	-6	--	--	-
AA	--	288	-	--	--	-
PB	241.5	248.5	-7	190	--	-
A	--	285	-	--	--	-
AB	--	--	-	176	--	-
B	196	211	-15	--	--	-
C	--	193	-	--	--	-
BBB	152	157	-5	125.26	--	-
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	-	--	--	-
A	--	--	-	--	--	-
PB	140	--	-	114	122	-8
AA	--	--	-	--	--	-
AB	--	--	-	116.5	123	-6.5
B	--	--	-	--	--	-
C	--	--	-	110	120	-10

Values in Rs. per kg

Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market



Weekly Technical Outlook:-

- Technical chart depicts steady to slight upward trend in the market.
- RSI is moving in neutral region at 37.46in this week against 36.55 hints further sideways to bullish trend of the market.
- Relatively, simple moving average supports towards falling zone of the market in week ahead.
- We may see further steady momentum of the market in upcoming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	9000-9500

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
8628.82	8981.41	9150	9510.36	9765.02

Units in Rs./50 kg.

International Market Updates:

Weekly Future Review:- ICE Arabica coffee future prices of July contract advanced by 6.17% to 134.45 USC cents per Ib from 126.15USC cents per Ib on improved demand. On other hand, traders are awaiting a more substantial flow of coffee to ports as the current season crop harvesting has begun.
As per recent report of RTRS, ICE certified stocks ramped up by 4231 to 2125280 bags as of 4June 2015 from 2121049 bags as on 3rd June 2015.

Below table shows ICE certified Arabica stocks details of 4th June 2015 including all warehouse:-

COUNTRIES	ANTWERP	BARCELONA	HAMBURG/ BREMEN	HOUSTON	MIAMI	NEW ORLEANS	NEW YORK	Total
Brazil	1007	0	1920	1960	0	0	13960	18847
Burundi	75763	0	72015	0	0	0	1594	149372
Colombia	25080	0	33543	13132	34170	275	221819	328019
Coasta Rica	300	0	0	0	0	0	0	300
El Salvador	8307	0	775	0	0	0	11240	20322
Guetmala	18469	0	450	25	0	0	6273	25217
Haunduras	386351	250	29150	29269	22734	3000	90950	561704
India	34168	0	2563	0	0	0	0	36731
Mexico	233112	0	5411	36531	0	250	98091	373395
Nicaragua	101298	0	0	0	0	0	2325	103623
Peru	203570	0	59292	7193	0	25	91585	361665
Rwanda	63429	0	17596	0	0	0	296	81321
Tanzania	1210	0	1437	0	0	0	578	3225
Uganda	27070	295	33324	0	0	0	850	61539
Total in Bags	1179134	545	257476	88110	56904	3550	539561	2125280

Source:Reuter

Vietnam:-In view of traders, Vietnam may export coffee between 70,000 and 120,000 tons of the commodity in June 2015 as compared to 100,000 tons last month. While, the government forecasts coffee export volume down by 27.3% to 100,000 tons (1.67 million bags) in June 2015 from last year record in the same month. Total 14.53 million of coffee exports have been already placed by the country as on date of this season Oct-2014-Sep-2015. On the other hand, Vietnam farmers are trying to reduce their high stocks to buy fertilizer for their coffee tresses.

Brazil:-According to Brazil's Ministry of Agriculture,Brazil's farm budget for the 2015/16 is expected to be higher than 180 billion reais ($ 57 billion) with an increase of 15% against 156 billion reais ($ 1= 3.15 reais) to promote production, processing, storage and sale of the coffee crop.
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, According to Brazil's Coffee Exporters' Association Cecafe.

Global Production Of The Coffee

Below table shows recent crop estimates of Brazil and World:-

Source	Date Issued	2014/15	2015/16	Robusta	Arabica	Global Production Forecast 2014/15	Supply/Demand 2014/15
Neumann	2-Jun-15	49.3	47.3	16.1	31.2	148.5	-6.5
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		

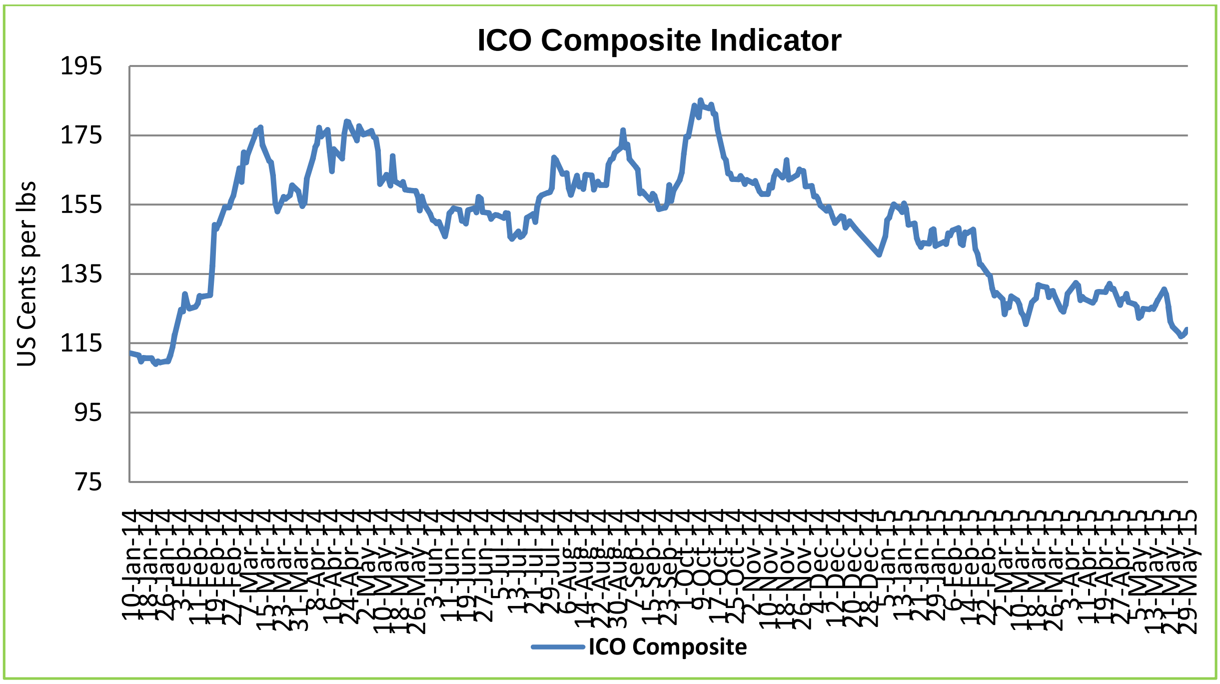
Source:Reuters

International Coffee Price Trend

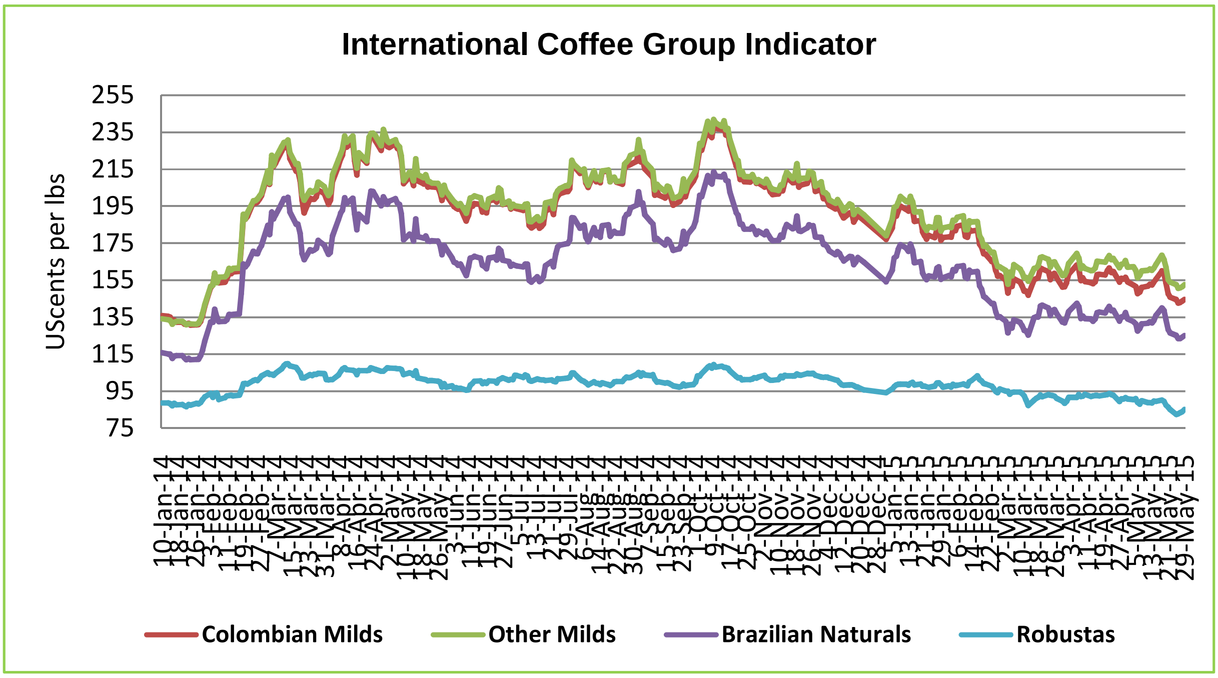
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**5.6.2015**	**29.5.2015**	**5.5.2015**	**5.6.2014**
ICO Composite Indicator	126.39	118.94	125.53	149.59
Colombian Milds				
US	154.42	144.4	151.48	195
Europe	--	--	--	191.47
Group Indicator	--	--	--	193.38
Other Milds				
US	161.57	152.53	160.18	195.75
Europe	--	--	--	195.17
Group Indicator	--	--	--	195.39
Brazilian Naturals				
US	134.18	124.97	131.37	151.25
Europe	--	--	--	167.21
Group Indicator	--	--	--	163.06
Robusta				
US	89.21	85	90.91	102.25
Europe	--	--	--	95.42
Group Indicator	--	--	--	96.51

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(4-Jun-2015)	Week ago (30-May-15)	Month Ago (4-May-15)	Weekly Change (%)
15-Jul	135.70	126.15	131.85	7.57
15-Sep	138.05	128.6	132.90	7.35
15-Dec	141.45	132.3	135.65	6.92

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(4-Jun-2015)	Week ago (30-May-15)	Month Ago (4-May-15)	Weekly Change (%)
15-May	1736	1584	1732	9.60
15-Jul	1752	1632	1772	7.35
15-Sep	1771	1653	1796	7.14

USD/T

International Coffee Prices

	29.5.2015	21.5.2015	29.4.2015	29.5.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	34950	37100	20300	39500
Vietnam FOB (2-5 pct)* (Saigon port)	1715	1843	2030	1972
Indonesian FOB (4-80 defects)** (Lampung Port)	1825	1865	2030	2030

***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 indicates a recovery in the market on buyers' interests.
- Rising14 days EMI hints further up trend in the market.
- Falling volume and prices indicate bearish phase of the market.
- RSI is also up at 41.86compared to last week movement at 36.24 indicating bullishness in the next week.
- Fibonacci retracement level on downward wave shows immediate resistance level at 148.74@38.2 breaching these level prices may touch the level of 163.61.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	125-147

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
116.52	122.32	134.45	148.74	163.61

US cents/Ib

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

Weekly Technical Outlook:-

- Candlestick chart illustrates gap opening on higher side.
- Relatively, 14-days EMI is moving down at 1748 from 1767of last week, indicating a further fall in the market.
- RSI is up at 41.86 in neutral region against 36.24 of last week hints a further upward momentum of the market in upcoming week.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	1625-1789

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1595	1623	1710	1791	1839

USD/T