Highlights of the Week

Steady to weak tone witnessed in Karnataka market on stagnant supply and demand during this week ended as on 12th June 2015. In long run, higher crop estimates for 2015/16 will weigh on the coffee prices. However, EL Nino effect may change the crop size estimates on international level.

According to Indian Traders, in the current situation, Indian coffee crop for season 2015/16 is good and further its growth totally depends on Monsoon. Robusta harvesting of 2014/15 is almost finished in the key growing regions of Karnataka, Tamil Nadu and Kerala. As per exporters, Arabica crop size of India is placed around 90,000 tonnes and Robusta crops at 2.3 lakh. While, Post Monsoon crop estimates for 2014-15 stood up by 8.70% to 331,000 MT followed by total Robusta estimates at 231,400 MT with an increase of 14.38% and Arabica estimates at 99,600 MT with a decline of 2.54% compared to last year output, as per the Coffee Board of India. However, the increasing likelihood of El Nino could cause drought and prompted to less rainfall over the next few months, which would limit further coffee production growth even on global basis.

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. In the current situation, most of the farmers are growing black pepper in the coffee area on its higher prices in 2014.

As per latest crop forecast of Conab, one of government crop supply agency, Brazil may harvest total coffee at 44.28 million 60 kg bags in 2015/16 season which is lower than 45.34 million bags in 2014/15 followed by 32.91 million bags of Arabica crop i.e. higher than 32.31 million bags of 2014 . This rise is attributed predominantly to a significant increase of 34% in the coastal region of Zona da Mata due to better precipitation, and more modest growth in Paraná which had been affected by low temperatures the previous year. On the Other hand, Robusta crop size is forecasted at 11.34 million bags marginally lower than 13 million bags of 2014 harvesting crop size. As per local crop analyst Safras & Mercado, about 28% Brazil's coffee crop harvesting for 2015/16 was completed as on 9th June 2015 which is down 32% from the last year records but ahead of the five year average of 26% for this time of year. Where, 21% i.e. 10.35 million bags of coffee crop had been sold following 6.65 million bags of Arabica and 3.70 million bags of Robusta.

Exports and Imports of India

As per the Coffee Board of India, provisional Indian green coffee exports is registered down by 12.58% to 123039 metric tons from 1st January 2015 to 10th June 2015 as compared to 140748 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 52.72 at 9171 metric tons in this year during 1st January 2015 to 2nd June 2015 from preceding year instant coffee volume i.e. 19400 metric tons. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 38.89 % to 21589, 20.07% to 7528 metric tons respectively against last year exports volume i.e. 35333 metric tons, 9419 metric tons respectively in the same period of time due to lower demand as Arabica crops in 2014 suffered with diseases.

Below table shows Indian Coffee exports volume details:-

Export update: From 01st January 2015 to 10th June 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)	21589	7528	18635	65964	12	140	9171	123039
2	Provisional exports corresponding period last year	35333	9419	12345	64088	36	127	19400	140748
3	Provisional re-exports	0	0	0	0	119	91	33696	33906
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	23768	23768
5	Total provisional exports (1+3)	**21589**	**7528**	**18635**	**65964**	**131**	**231**	**42866**	**156944**
6	Total provisional exports corresponding period last year (2+4)	**35333**	**9419**	**12345**	**64088**	**36**	**127**	**43167**	**164516**

Source: The Coffee Board of India

Weather Updates

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

RAINFALL DURING MONSOON SEASON							
Meteorological Sub- Divisions		**9-Jun-10**	**8-Jun-11**	**13-Jun-12**	**12-Jun-13**	**11-Jun-15**	**10-Jun-15**
		2010	**2011**	**2012**	**2013**	**2014**	**2015**
	D	-34	-44	-68	-47	-57	-80
Odisha	A	8	27	17	49	13	30
	N	35	31	59	51	47	42
	D	-76	-15	-71	-6	-73	-29
Coastal Andhra Pradesh	A	16	33	15	55	15	52
	N	24	21	35	32	28	26
	D	-32	+55	-57	+75	-45	+102
Tamil Nadu & Pandicherry	A	21	22	4	31	24	26
	N	14	15	23	21	19	18
	D	+44	+48	-82	+48	+25	+48
Coastal Karnataka	A	53	271	196	375	63	109
	N	184	145	274	247	218	192
	D	-71	+86	-28	+52	-71	-43
North Interior Karnataka	A	19	43	7	60	28	35
	N	29	27	41	38	34	33
	D	-33	+57	-83	+59	-19	+8
South Interior Karnataka	A	37	64	16	71	47	49
	N	34	34	52	48	45	41
	D	+8	+88	-70	+47	+6	+21
Kerala	A	79	372	113	345	153	84
	N	176	153	253	231	212	192
	D	-55	+143	-55	+49	-28	-56
Country as whole	A	**31.1**	**33**	**29.2**	**56.6**	**23.0**	**36.4**
	N	**33.1**	**28**	**50.6**	**45.8**	**41.0**	**36.2**
	D	**-6**	**+17**	**-42**	**+23**	**-44**	**0**

Southwest Monsoon set in over Kerala on 5th June 2015 and advanced into entire south Arabian Sea, some more parts of Central Arabian Sea, entire Lakshadweep area and Kerala, some parts of Coastal & South Interior Karnataka and Tamilnadu, remaining parts of southeast Bay of Bengal and some parts of central & northeast Bay of Bengal. It further advanced into most parts of Assam & Meghalaya, entire Nagaland, Manipur, Mizoram & Tripura and Arunachal Pradesh and some parts of Sub-Himalayan West Bengal & Sikkim on 6 th; into some more parts of central Arabian sea, entire Goa, some parts of south Konkan, remaining parts of coastal Karnataka and some more parts of south interior Karnataka on 8 th; and into remaining parts of South Interior Karnataka, Tamilnadu and southwest Bay of Bengal and some parts of North Interior Karnataka and Rayalaseema on 10th June.

Domestic Crops Condition and Production

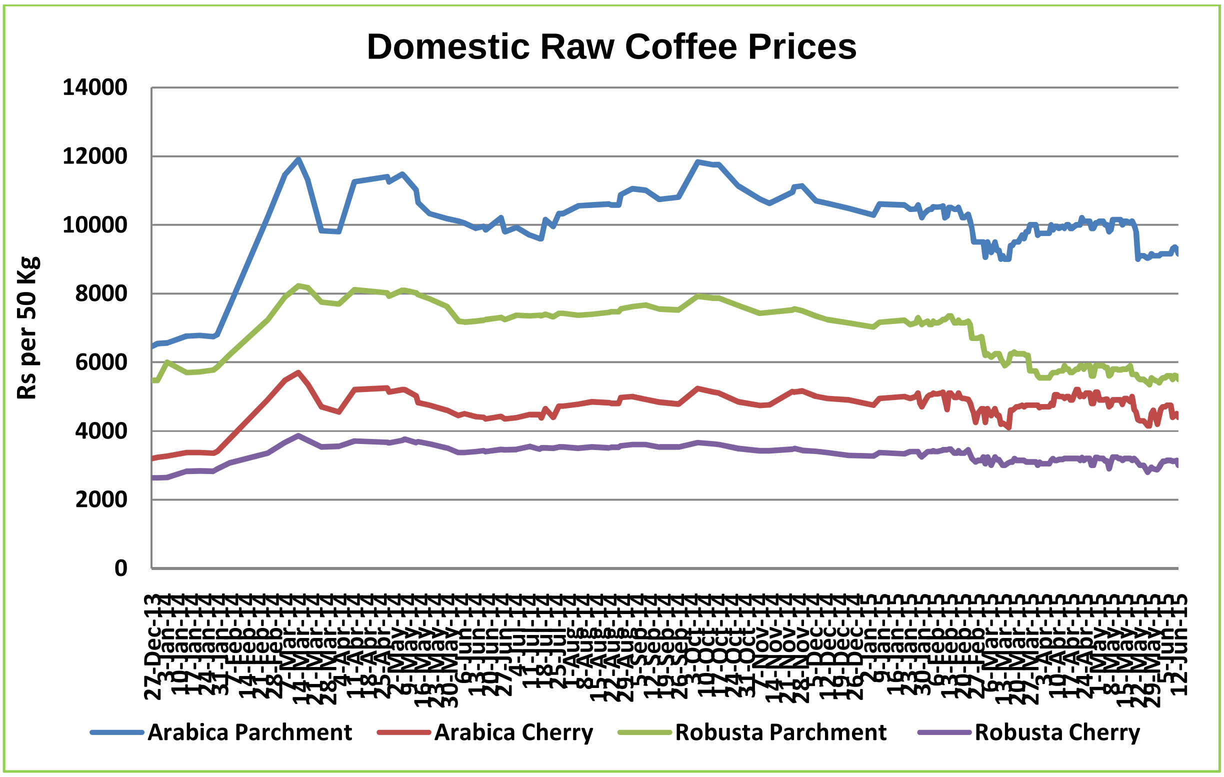
Below table show Post blossom estimates of the Coffee Of Board Of India:-

State/District	Post Blossom Estimation			Final Estimate			Final Estimate		
	2014-15			2013-14			2012-13@		
	Arabica	Robusta	Total	Arabica	Robusta	Total	Arabica	Robusta	Total
Karnataka									
Chikmagalur	41,170	40,000	**81,170**	38,250	30,640	**68,890**	37325	40300	77625
Kodagu	20,150	113,000	**133,150**	21,040	90,820	**111,860**	21300	98700	120000
Hassan	19,380	14,600	**33,980**	19,150	11,200	**30,350**	18800	13800	32600
Sub total	**80,700**	**167,600**	**248,300**	**78,440**	**132,660**	**211,100**	**77,425**	**152,800**	**230,225**
Kerala									
Wayanad	0	57,900	**57,900**	0	56,425	**56,425**	0	53475	53475
Travancore	900	7,300	**8,200**	900	6,700	**7,600**	975	7200	8175
Nelliampathies	1,175	1,600	**2,775**	1,100	1,550	**2,650**	1100	1450	2550
Sub total	**2,075**	**66,800**	**68,875**	**2,000**	**64,675**	**66,675**	**2,075**	**62,125**	**64,200**
Tamil Nadu									
Pulneys	7,575	375	**7,950**	6,975	325	**7,300**	6425	255	6680
Nilgiris	1,600	3,775	**5,375**	1,800	3,950	**5,750**	1625	3765	5390
Shevroys (Salem)	2,700	50	**2,750**	3,875	50	**3,925**	3450	50	3500
Anamalais (Coimbatore)	1,300	500	**1,800**	1,300	500	**1,800**	1300	500	1800
Sub total	**13,175**	**4,700**	**17,875**	**13,950**	**4,825**	**18,775**	**12,800**	**4,570**	**17,370**
Non Traditional Areas									
Andhra Pradesh	8,790	70	**8,860**	7,250	70	**7,320**	5890	30	5920
Orissa	620	0	**620**	440	0	**440**	310	0	310
Sub Total	**9,410**	**70**	**9,480**	**7,690**	**70**	**7,760**	6200	30	6230
North Eastern Region	140	80	**220**	120	70	**190**	100	75	175
Grand Total (India)	**105,500**	**239,250**	**344,750**	**102,200**	**202,300**	**304,500**	**98,600**	**219,600**	**318,200**

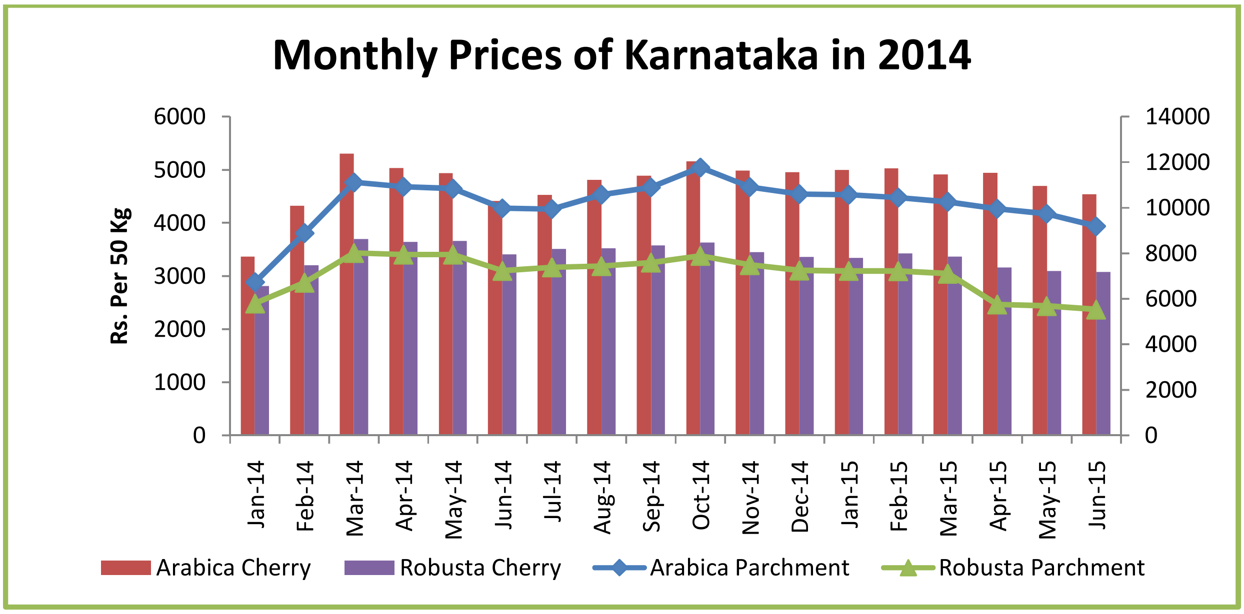
Source: The Coffee Board Of India

Coffee Prices of Auction Market & State-wise Market

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



Source: Agriwatch



Source: Agriwatch

Domestic Raw Coffee Prices(Karnataka):

Variety	12.6.2015	5.6.2015	Change
Arabica Parchment	9150	9150	Unch
Arabica Cherry	4400	4700	-300
Robusta Parchment	5500	5550	-50
Robusta Cherry	3000	3120	-120

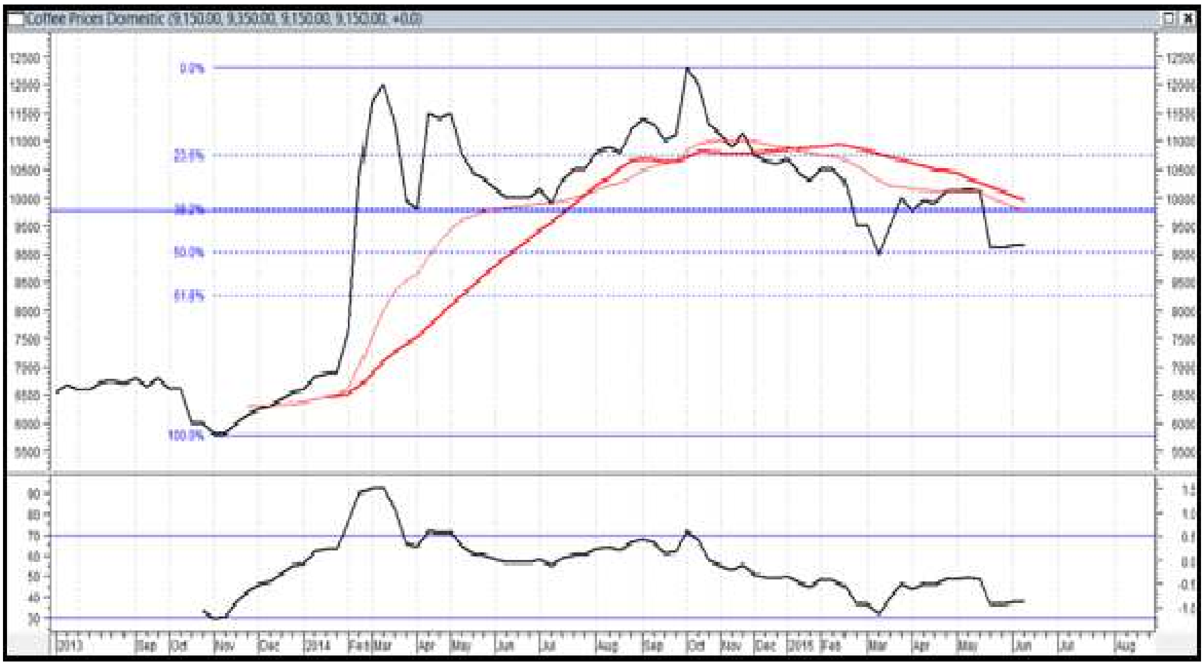
*** Values in Rs per 50 Kg**

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

Grade	4.6.2015	28.5.2015	Change	4.6.2015	28.5.2015	Change
	Arabica Plantation	Arabica Plantation		Arabica Cherry	Arabica Cherry	
MNEB	288	283	5	--	--	-
AA	--	--	-	--	--	-
PB	245	241.5	3.5	--	190	-
A	--	--	-	--	--	-
AB	--	--	-	--	176	-
B	202	196	6	--	--	-
C	175	--	-	--	--	-
BBB	--	152	-	--	125.26	-
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	-	--	--	-
A	--	--	-	--	--	-
PB	138.50	140	-1.5	121	114	7
AA	--	--	-	--	--	-
AB	141	--	-	122	116.5	5.5
B	--	--	-	--	--	-
C	--	--	-	117	110	7

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 same at 37.46 in this week hints further steady momentum in next week.
- On the other hand, simple moving average supports towards falling zone of the market in week ahead.
- Fibonacci retracement on down wave shows second resistance level at 9765.02 @ 38.2% in upcoming days.
- 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	8950-9500

Units in Rs./50 kg.

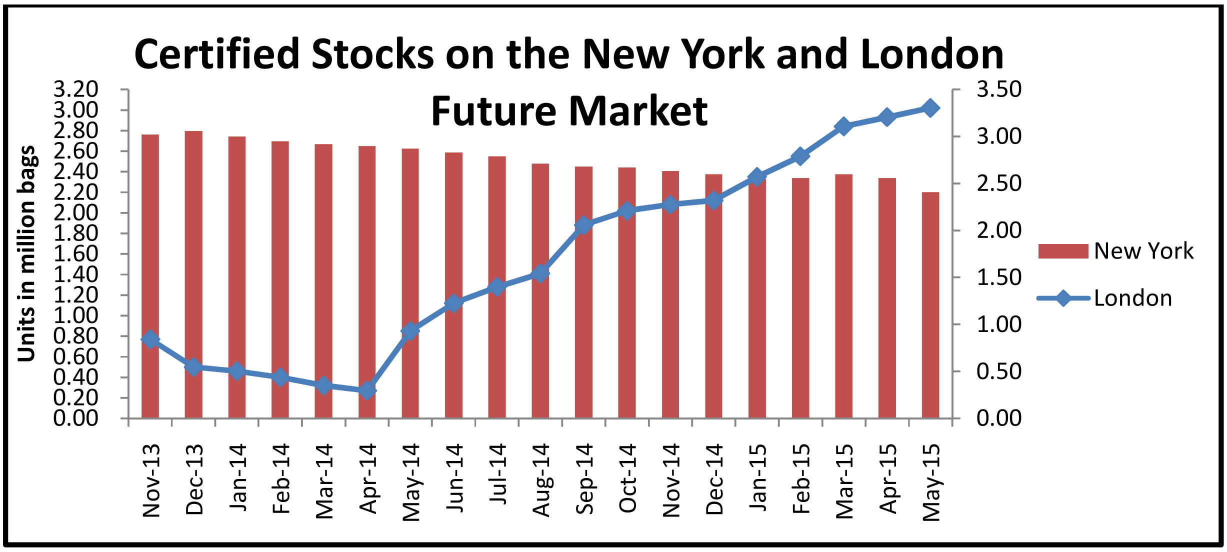
Expected Support and Resistance

S2	S1	PCP	R1	R2
8628.82	8903.08	9150	9529.95	9765.02

Units in Rs./50 kg.

International Market Updates:

Weekly Future Review:- ICE Arabica coffee future prices of July contract slumped by1.22% to 133.45 USC cents per Ib from 135.10 USC cents per Ib on weak demand. Weakness in Brazilian real currency against US dollar can spur producer and speculative selling in upcoming days. As per recent report, Certified Robusta coffee stocks held in ICE-nominated warehouses increased to 184,350 tonnes as of June 8 which is up from 180520 at May 25,2015.
Below charts shows Certified stocks details Month on Month basis:-



Source: ICO

Vietnam:- Farmers seem reluctant to release their stocks on the current prevailing coffee prices. Total unsold crop reserves were registered at higher at 550,000 tons at the end of May 2015 against 320,000 tons a year ago. Total coffee exports of Vietnam fell about 40% in the five months through May 2015 as demand turned to Brazilian Robusta coffee beans (Conillons).

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.
According to the Association of Coffee Exporters, Brazil may exports a combination of green coffee and value added soluble exports around 2.87 million bags in June month 2015 lower than 2.78 million bags on the same month last year. In the previous month, green coffee exports stood at 2.09 million bags and Conillon Robusta at 404,561 and soluble coffee at 286,894 bags. Crop year 2015/16 has now started in several major coffee-producing countries, including Brazil, Indonesia and Peru.

Kenya:- As per the coffee regulator, Kenya is forecasted to produce 45, 000 metric tonnes of coffee in 2015, which is a marginal decline from last year's 49,000 metric tonnes due to cyclical nature of the crop.

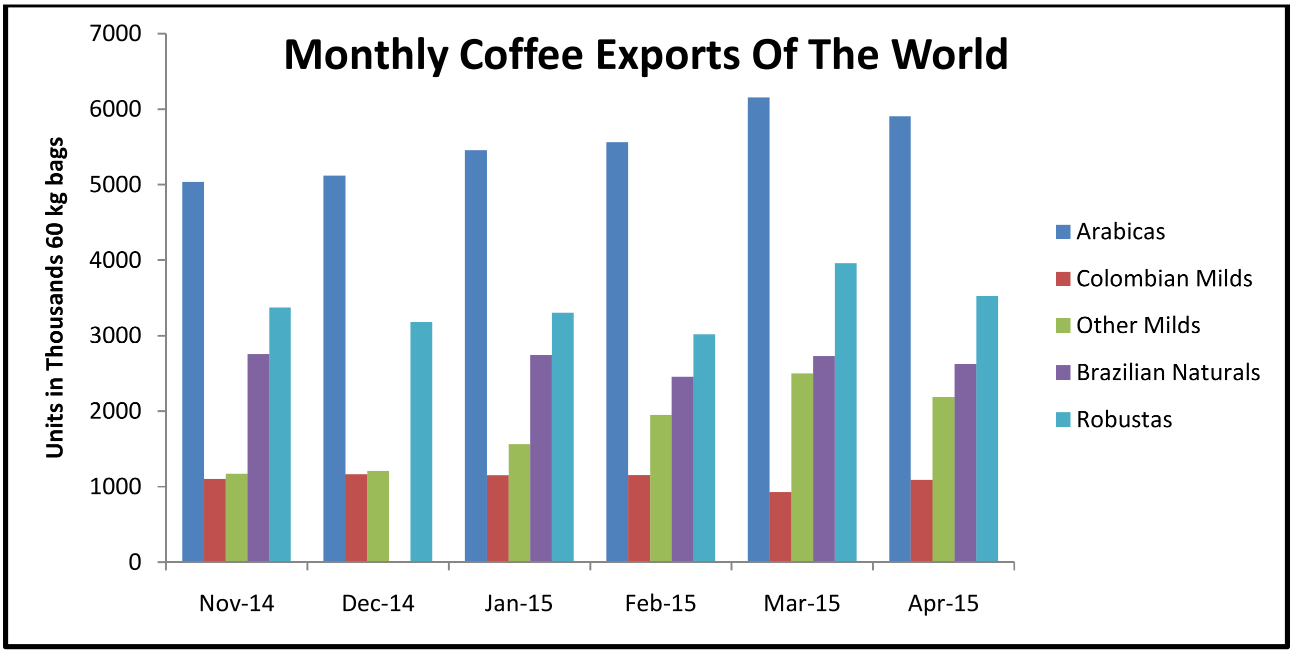
Global Production Of The Coffee

As per ICO updates, total coffee exports of Arabicas, Other Milds, Brazilian Naturals, Robustas of the world is registered down by 4.12% to 5904 thousands bags 60 kg per bags, 12.41% to 2187, 3.77% to 2628 thousands 60 kg bags, 10.90% to 3528 thousands 60 kg bags respectively in April 2015 against 6158,2497, 2731,3960 thousands 60-kg bags in previous year during the same month. While, Colombian Milds exports is placed higher side at 1090 thousands 60 kg bags as compared to 930 thousands 60 kg bags in the last month.

Below table shows recent updates of World coffee exports details:-

Monthly Coffee Exports Of The World						
	Nov-14	**Dec-14**	**Jan-15**	**Feb-15**	**Mar-15**	**Apr-15**
Arabicas	5034	5120	5455	5561	6158	5904
Colombian Milds	*1104*	*1164*	*1149*	*1151*	*930*	*1090*
Other Milds	*1174*	*1211*	*1560*	*1953*	*2497*	*2187*
Brazilian Naturals	*2756*	*2 745*	*2745*	*2458*	*2731*	*2628*
Robustas	3372	3182	3303	3014	3960	3528

Source: ICO



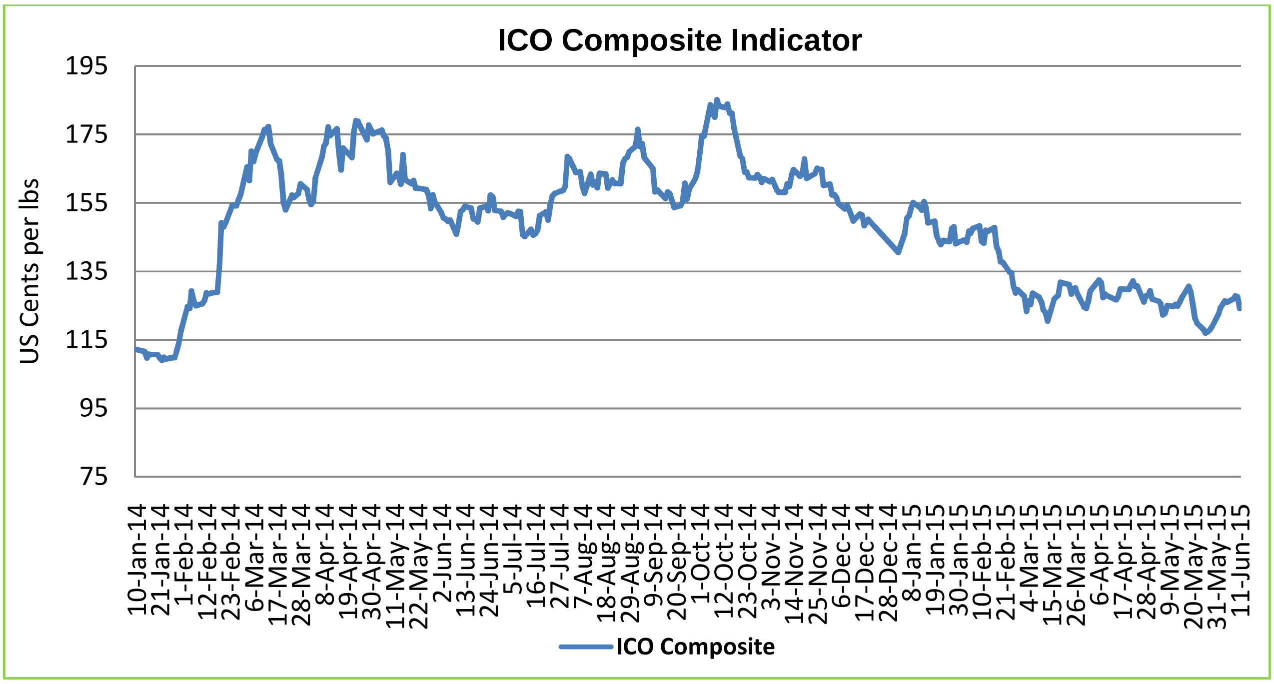
Source: ICO

International Coffee Price Trend

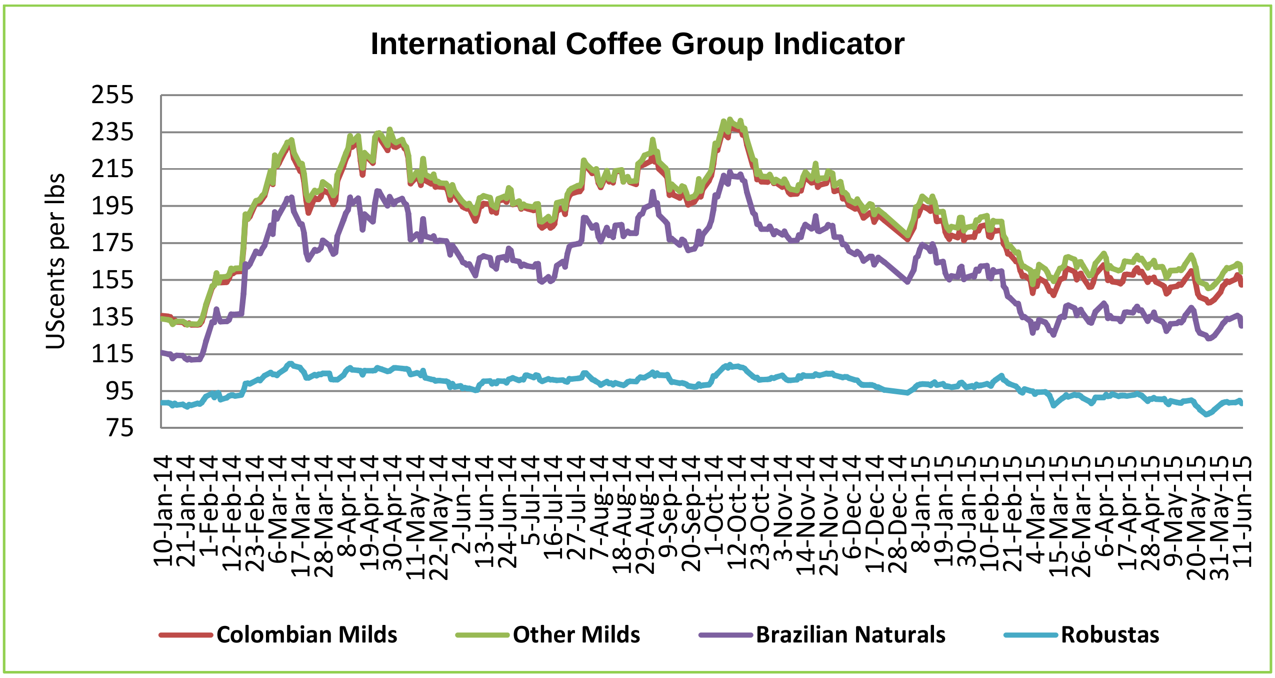
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**12.6.2015**	**5.6.2015**	**12.5.2015**	**12.6.2014**
ICO Composite Indicator	124.16	126.39	125.39	153.02
Colombian Milds				
US	152.32	154.42	152.68	194.00
Europe	--	--	--	196.27
Group Indicator	--	--	--	195.04
Other Milds				
US	159.36	161.57	161.02	198.50
Europe	--	--	--	200.37
Group Indicator	--	--	--	199.66
Brazilian Naturals				
US	130.25	134.18	132.53	154.00
Europe	--	--	--	171.94
Group Indicator	--	--	--	167.28
Robusta				
US	88.40	89.21	88.66	104.75
Europe	--	--	--	98.08
Group Indicator	--	--	--	99.14

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(11-Jun-2015)	Week ago (4-June-15)	Month Ago (11-May-15)	Weekly Change (%)
15-Jul	132.00	135.70	134.35	-2.72
15-Sep	134.45	138.05	136.90	-2.60
15-Dec	138.05	141.45	140.50	-2.40

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(11-Jun-2015)	Week ago (4-June-15)	Month Ago (11-May-15)	Weekly Change (%)
15-May	--	1736	1701	-
15-Jul	--	1752	1744	-
15-Sep	--	1771	1768	-

USD/T

International Coffee Prices

	11.6.2015	4.6.2015	11.5.2015	11.6.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	37550	37150	36850	41250
Vietnam FOB (2-5 pct)* (Saigon port)	1817	1795	1835	1951
Indonesian FOB (4-80 defects)** (Lampung Port)	1860	1860	1990	1910

*FOB Values are in USD/T

Weekly Auction Prices Of Kenya

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

Units in $ per 50 kg bags

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

Weekly Technical Outlook:-

- Candlestick chart indicates marginally down phase of the market.
- falling 14 days EMI hints further down trend in the market.
- Falling volume indicate bearish phase of the market.
- RSI is also down at 41.70 compared to last week movement at 41.86 indicating weak tone in the next week.
- Fibonacci retracement level on downward wave shows immediate resistance level at 148.91 @38.2 breaching these level prices may touch the level of 163.85.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	123-148

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
115.77	122.91	133.45	148.91	163.85

US cents/Ib

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

Weekly Technical Outlook:-

- Candlestick chart shows thin trading activities in the market.
- Relatively, 14-days EMI is moving down at 1738 from 1739 of last week, indicating a further fall in the market.
- RSI is up at 43.69 in neutral region against 42.66 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
1572	1644	1722	1780	1833

USD/T