Highlights of the Week

Coffee prices in Karnataka physical market declined during this week ended as on 26th June 2015 on higher crop estimates in 2015/16**.** Higher crop prospectus of the world for 2015/16 season and weakness in the real (the currency of top producer Brazil) against dollar will keep pressure on global markets.

As per recent released data by The Coffee Board of India, post blossom stage for 2015-16 coffee crop is placed at 355 lakh tonnes of which Robusta is 245,300 and Arabica 110,300 lakh tons with an increase of 8.75% than 2014-15 final estimated crop size i.e. 327 lakh tonnes on good pre-monsoon showers in growing areas. Every year, the board releases two forecasts the post blossom and post monsoon estimates. The rise in production is attributed to Karnataka states with an outcome of 256,500 tonnes. Relatively, the production of Kerala and Tamilnadu is forecasted higher by 3.10% to 69,800 tonnes and 5.17% to 18,800 tonnes respectively. The Board is expecting a favorable weather condition in the coffee growing areas during this season.

Monsoon in the Indian coffee growing areas are from June to September ,Rains are needed for the overall growth of the coffee ,during the monsoon all types of work like manure activity , spraying, swabbing ,weeding ,pruning etc are taken up, but as always continuous rainfall without any gap in between for 3-4 days also will play havoc to the crop in the form of fruit droppings ,leaf rust, root decay in smaller plants etc. Always rains with intervals of 3-4 days of sunlight in between gives a guarantee of good crop bearing. Normally, coffee grows in areas having rainfall from 800 to 4500mm per annum and in an elevation between 400 -2800 ft above sea level. The best coffee produced is of an average rainfall between 1200 mm- 2800mm and between an elevation of 1200 MSL-2500 MSL. All coffee growing areas are not free of pests, these are controlled by spraying and swabbing of pesticides from time to time.

In the View of Indian Traders, Brazilian Arabica crop for 2015-16 would be around 44-46 million bags and Robusta around 35 million bags . Vietnam production 2015-16would be around 12 lakh tons and Indonesia's production would be 11 lakh tons, both countries are scheduled to pick their Robusta crop during October 2015. Vietnam has reduced exports during the first five months of 2015 (Jan-2015 to May-2015) by 39.2% as compared to last year's exports. Indian Arabica picking starts in November continued till December and Robusta during January and February expecting overall crop to cross 314 lakh tons.

According to the National Cocoa and Coffee Board (NCCB) data, Cameroon exported higher coffee bean at 12607 tonnes in the six months to end May 31,2015 as compared to 8087 tonnes of last year exports volume during the corresponding period of time. During May month, the country has shipped total 2379 tonnes down from 2700 tonnes during the same month in 2014.

Exports and Imports of India

As per the Coffee Board of India, provisional Indian green coffee exports is registered significantly down by 8.70% to 136567 metric tons from 1st January 2015 to 24th June 2015 as compared to 149596 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 38.24% at 12729 metric tons in this year during 1st January 2015 to 24th June 2015 from preceding year instant coffee volume i.e. 20612 metric tons. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 38.16 % to 23117, 20.90% to 7822 metric tons respectively against last year exports volume i.e. 37385 metric tons, 9889 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 24th 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)	23117	7822	20662	72078	15	144	12729	136567
2	Provisional exports corresponding period last year	37385	9889	13358	68184	36	131	20612	149596
3	Provisional re-exports	0	0	0	0	119	107	35413	35639
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	27759	27759
5	Total provisional exports (1+3)	**23117**	**7822**	**20662**	**72078**	**134**	**252**	**48142**	**172206**
6	Total provisional exports corresponding period last year (2+4)	**37385**	**9889**	**13358**	**68184**	**36**	**131**	**48372**	**177355**

Source: The Coffee Board of India

Weather Updates

Current Status of Southwest monsoon 2015 and Forecast:

Weekly Rainfall:-During the week, rainfall was above normal by 44% over the country as a whole. Rainfall activity was excess over central India and south Peninsula.
Details are given below:

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	64.7	44.9	44%
Northwest India	18.3	18.6	-2%
Central India	96.7	50.7	91%
South Peninsula	76.1	38.1	100%
East & northeast India	72.4	91.2	-21%

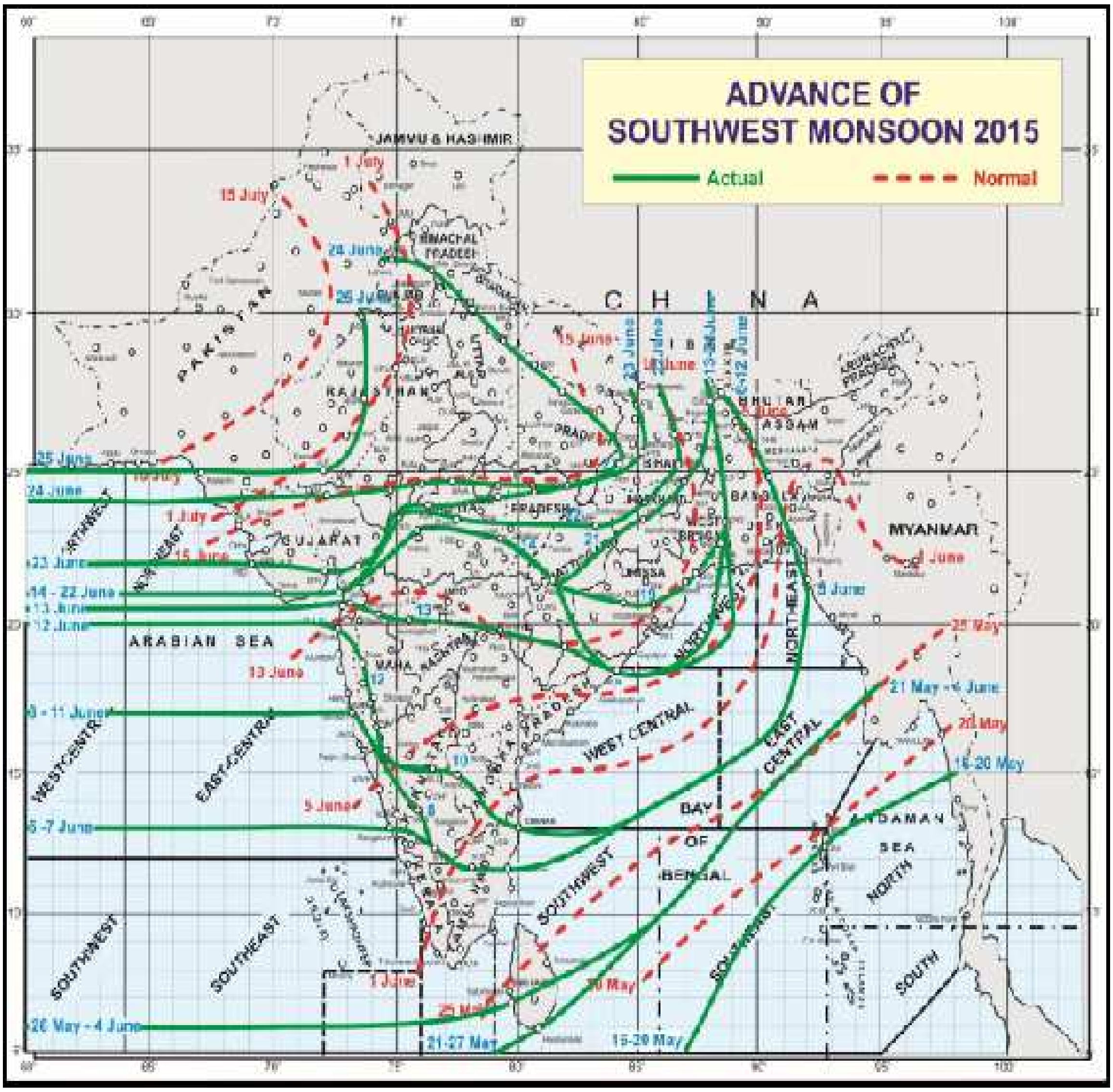
Source: IMD

Seasonal Rainfall:- Seasonal Rainfall Scenario (01 June to 24 June, 2015) For the country as a whole, cumulative rainfall during this year's monsoon up to 24 June has so far been 24% above the Long Period Average (LPA). Rainfall activity was excess over central India and south Peninsula.
Details of the rainfall distribution over the four broad homogeneous regions of India are given below:

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	64.7	44.9	44%
Northwest India	18.3	18.6	-2%
Central India	96.7	50.7	91%
South Peninsula	76.1	38.1	100%
East & northeast India	72.4	91.2	-21%

Source: IMD

Below map shows Advance of Southwest Monsoon -2015:-



Source: IMD

- Considerable decease in rainfall activity over northwest, central and parts of Peninsular India during next 15 days.
- However, Rainfall activity will increase and would be above normal over Odisha, Jharkhand, Gangetic West Bengal, Chhattisgarh, north Andhra Pradesh till 30 June.
- Near normal rainfall likely over parts of east and northeast India during first ten days of July.
- As on 25th June 2015,the southwest monsoon has advanced over the remaining parts of the country and Arabian Sea except some parts of West Rajasthan.

Domestic Crops Condition and Production

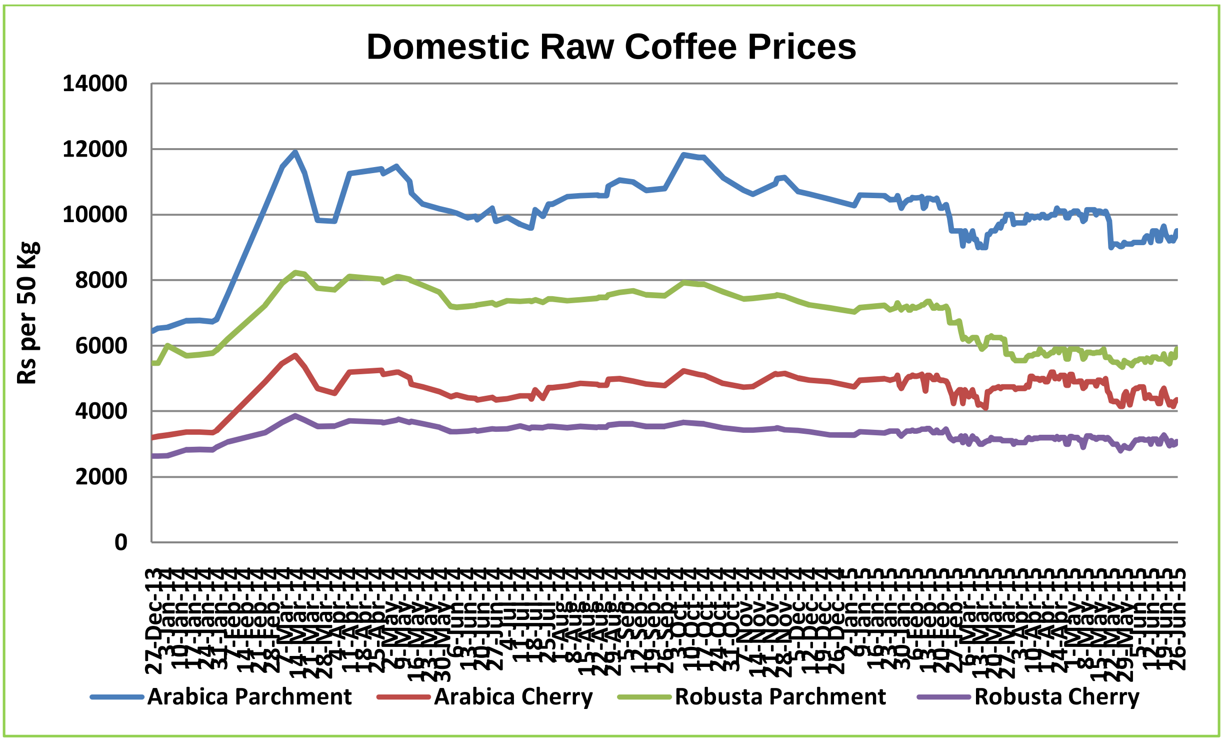
Below table shows recent coffee crop estimation of The Coffee Board of India:-

State/District	Post Blossom Forecast 2015-16			Final Estimate 2014-15		
	Arabica	Robusta	Total	Arabica	Robusta	Total
Karnataka						
Chikmagalur	42,715	42,535	**85,250**	38,200	40,880	**79,080**
Kodagu	21,455	116,620	**138,075**	18,030	104,090	**122,120**
Hassan	19,500	13,675	**33,175**	18,525	13,505	**32,030**
Sub total	**83,670**	**172,830**	**256,500**	**74,755**	**158,475**	**233,230**
Kerala						
Wayanad	0	58,400	**58,400**	0	56,675	**56,675**
Travancore	1,000	7,500	**8,500**	880	7,370	**8,250**
Nelliampathies	1,200	1,700	**2,900**	1,175	1,600	**2,775**
Sub total	**2,200**	**67,600**	**69,800**	**2,055**	**65,645**	**67,700**
Tamil Nadu						
Pulneys	7,465	340	**7,805**	7,300	325	**7,625**
Nilgiris	1,650	3,825	**5,475**	1,550	3,850	**5,400**
Shevroys (Salem)	3,650	70	**3,720**	3,400	50	**3,450**
Anamalais (Coimbatore)	1,300	500	**1,800**	900	500	**1,400**
Sub total	**14,065**	**4,735**	**18,800**	**13,150**	**4,725**	**17,875**
Non Traditional Areas						
Andhra Pradesh	9,640	60	**9,700**	7,370	55	**7,425**
Orissa	600	0	**600**	550	0	**550**
Sub Total	10,240	60	**10,300**	7,920	55	**7,975**
North Eastern Region	125	75	**200**	120	100	**220**
Grand Total (India)	**110,300**	**245,300**	**355,600**	**98,000**	**229,000**	**327,000**

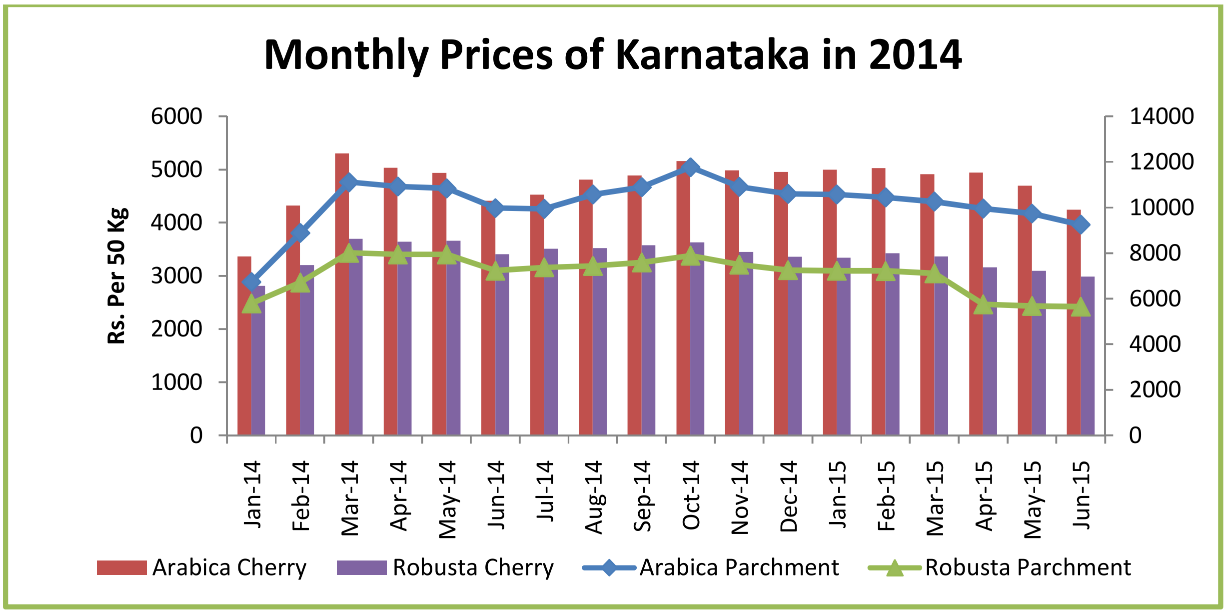
Source: The Coffee Board Of India

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	26.6.2015	19.6.2015	Change
Arabica Parchment	9500	9650	-150
Arabica Cherry	4350	4700	-350
Robusta Parchment	5900	5750	150
Robusta Cherry	3075	3275	-200

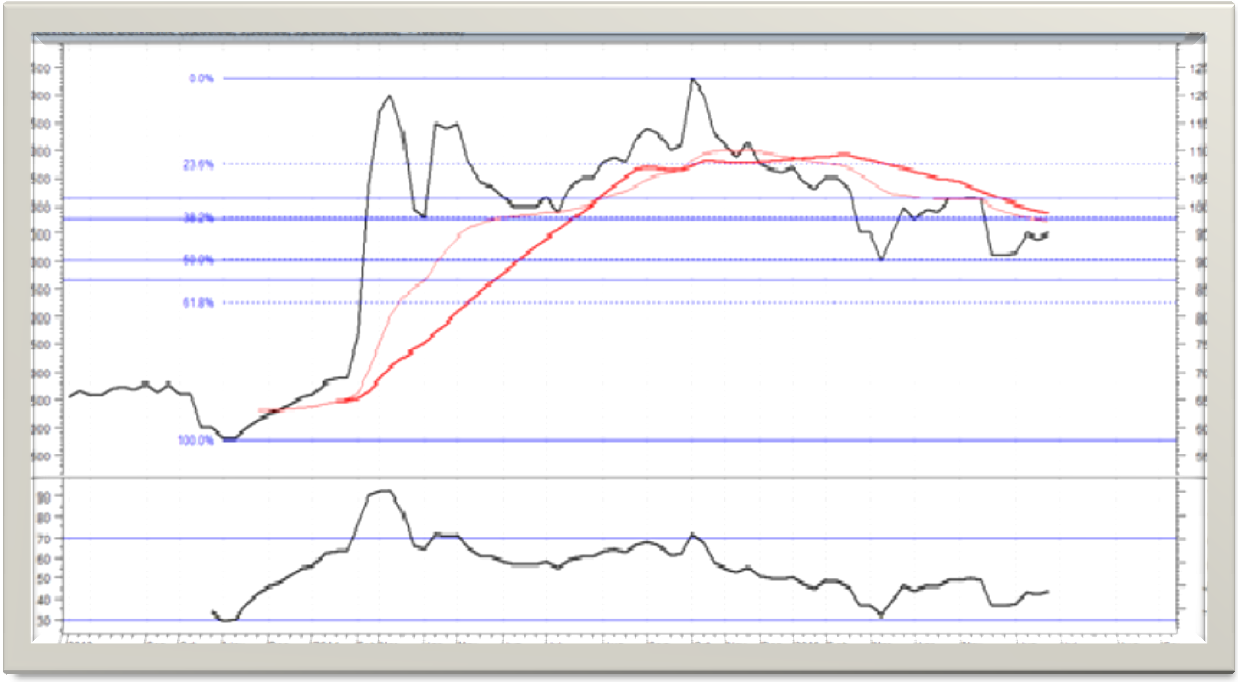
*** Values in Rs per 50 Kg**

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

Grade	18.6.2015 Arabica Plantation	11.6.2015 Arabica Plantation	Change	18.6.2015 Arabica Cherry	11.6.2015 Arabica Cherry	Change
MNEB	--	--	-	--	--	-
AA	--	--	-	210	222	-12
PB	243	238	5	180	189	-9
A	257	--	-	206	220	-14
AB	--	--	-	--	--	-
B	--	--	-	192	--	-
C	174	177	-3	138	--	-
BBB	--	145	-	--	120	-
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	147	-	--	--	-
A	--	--	-	--	--	-
PB	138	--	-	122	121	1
AA	--	148	-	--	--	-
AB	141	142	-1	124	123	1
B	--	--	-	--	--	-
C	--	129	-	--	120	-
BBB	119	129	-10	118	114	4

Values in Rs. per kg

Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market



Weekly Technical Outlook:-

- Technical chart depicts continued uptrendin themarket on buyers interest.
- RSI moving up in neutral regionat 44.07in this week hints further upside momentum in next week.
- However, simple moving average supports towards falling zone of the market.
- Fibonacci retracement on down wave shows first resistance level at 9765.02 @ 38.2% in upcoming days.
- We may see further bullish trend in the market in upcoming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	9495-9760

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
9020.62	9275.28	9500	9765.02	9765.02

Units in Rs./50 kg.

International Market Updates:

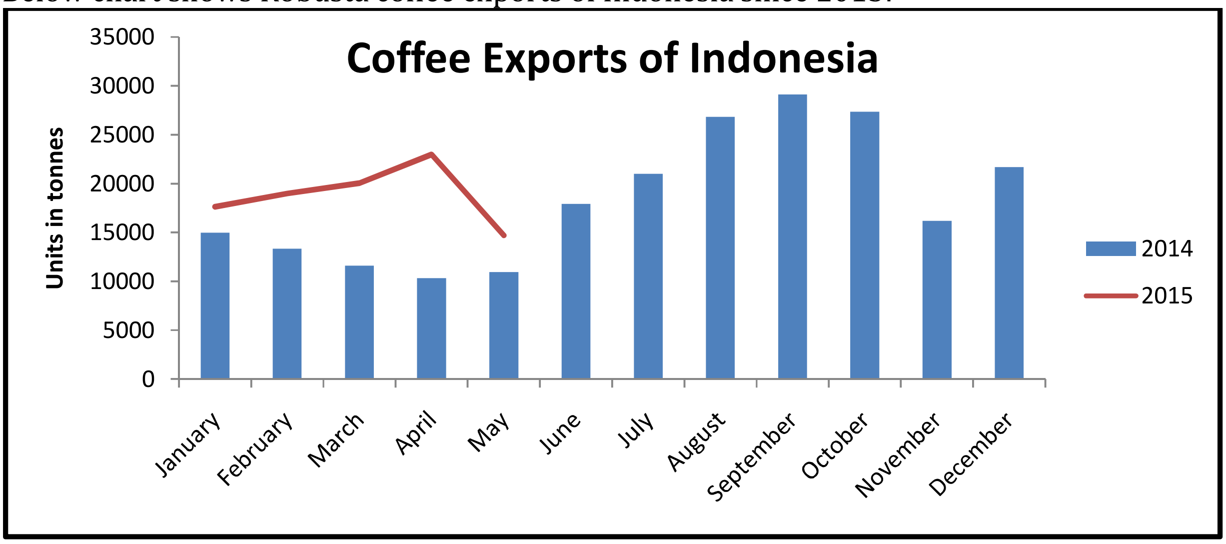
Weekly Future Review:-ICE Arabica coffee future prices of July contract closed upside by 3.61% to 133.4 USC cents per Ib from 128.70USC cents per Ib on improved demand.

Brazil:-As per USDA report, total production in 2015/16 is forecasted at 52.4 million bags with an increase of 1.2 million bags from last year crop harvest. Arabica coffee forecast is likely to improve by 3.8 million bags to 38.0 million on favorable weather during most of the growing period.
In view of local analyst Safrase Mercado, farmers in Brazil have completed their coffee crops harvesting around 42% as on 23rd June 2015 lower than previous year harvesting pace i.e. 52% as coffee crops matured slower than last year. In 2014, Brazilian coffee crops matured faster than normal contributed by severe drought over the main growing regions.

Vietname:- In view of local traders, coffee demand is expected to be moderate along with stable prices in the last three months of the current 2014/15 crop year due to huge stock avalibity in Vietname. The country may ship around 975,000 tonnes (16.25 million bags) of coffee in the first three quarters of the 2014/15 crop year at the end of June month 2015 with a decline of 26% from last year exports volume. Vietname has recored total shipment of 53,200 tonnesin the half of June. Vietname is holding around 12 million bags of coffee crop from the 2014/15 harvest which is almost double against previous year volume.

Indonesia:- As per government trader data, Robusta coffee bean exports in Sumatra, one of the main growing area of Indonesia significantly increased by 34% to 14706.5 tonnes in May 2015 against 10918.62 tonnes in May 2014 on good demand. On ther hand, Indonesia coffee production is likely to decline around 50,000 tonnes this year due to an EL Nino weather pattern that may cause to dry spells across key growing areas.

Below chart shows Robusta coffee exports of Indonesia since 2013:-



Source: Reuter

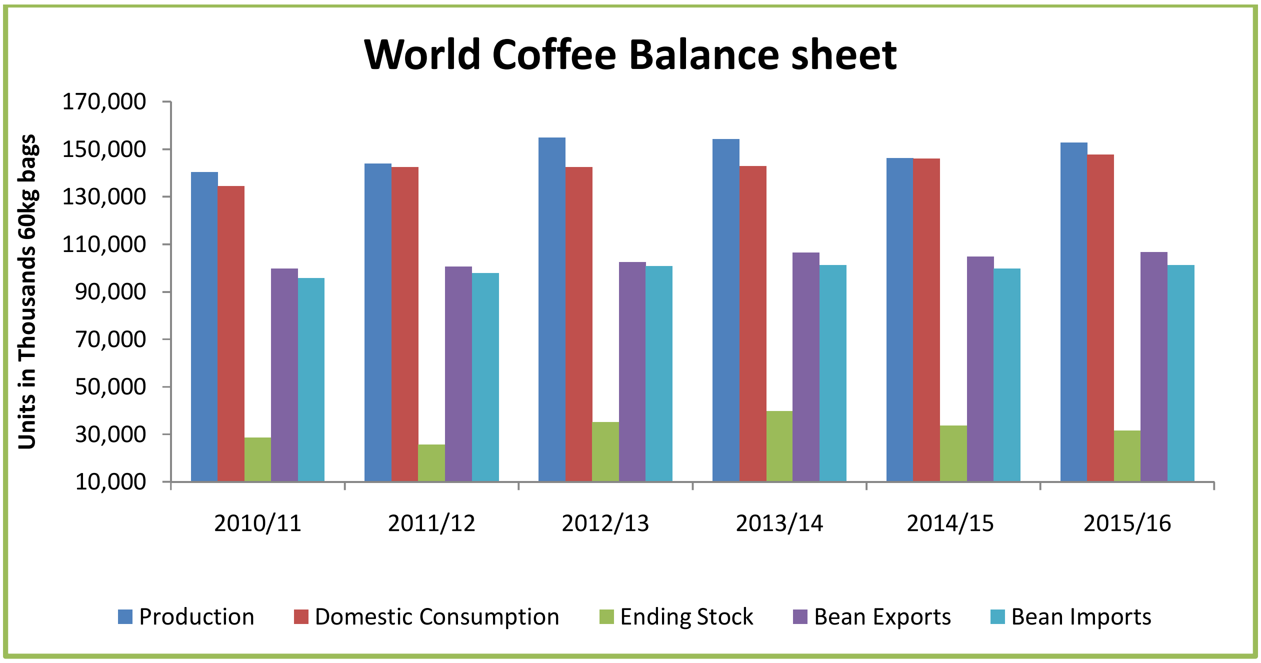
Global Production Of The Coffee

According to recently released data by USDA, World coffee production is expected to touch the level of 152.65 million bags in 2015/16 which is higher by 4.36% against 2014/15 coffee crop estimates i.e. 146.26 million bags due primarily to record output in Indonesia and Honduras as well as strong recovery in Brazil. World coffee production forecast in June 2015 is revised down from December -2015 estimate by 3.5 million bags to 146.3 million bags followed by lower output estimates of central America &Mexico, Vietnam and Peru.

Below table and Chart shows Coffee balance sheet of the World:-

World Coffee's Forecast for 2014-15 (Thousand 60-kg bags)						
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**
Production	140,417	143,882	154,943	154,308	146,263	152,651
Domestic Consumption	134,535	142,384	142,476	142,762	145,973	147,684
Ending Stock	28,620	25,648	35,190	39,690	33,547	31,540
Bean Exports	99,901	100,657	102,362	106,388	104,914	106,762
Bean Imports	95,730	97,945	100,852	101,160	99,795	101,350

Source:USDA



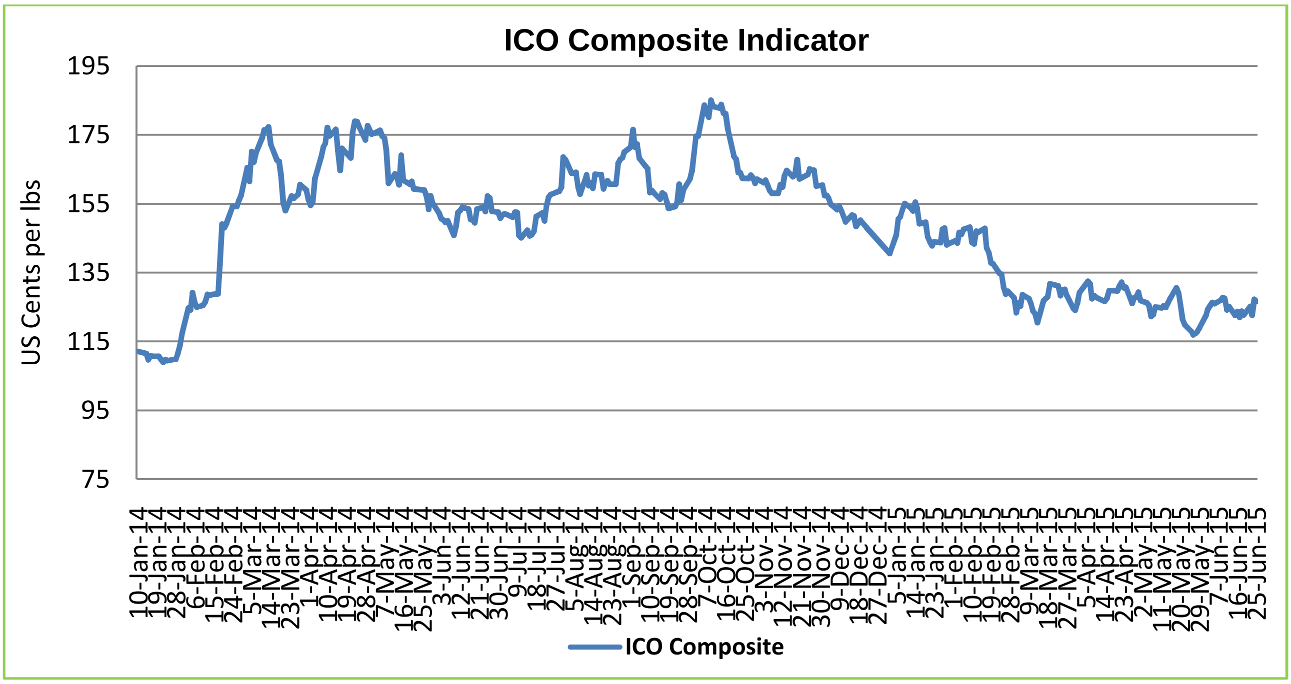
Source:USDA

International Coffee Price Trend

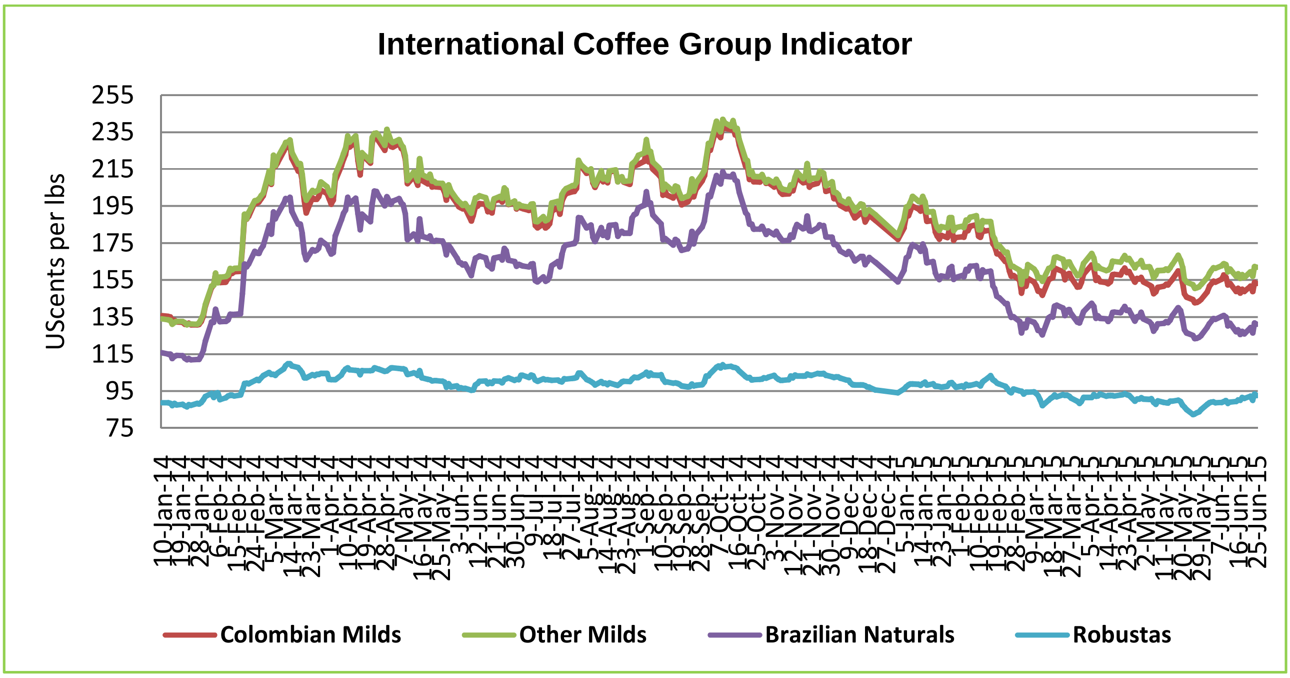
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**25.6.2015**	**19.6.2015**	**25.5.2015**	**25.6.2014**
ICO Composite Indicator	126.64	123.83	118.03	157.22
Colombian Milds				
US	153.16	150.04	144.46	205
Europe	--	--	--	201.07
Group Indicator	--	--	--	203.19
Other Milds				
US	161.95	157.97	152.59	208.13
Europe	--	--	--	202.69
Group Indicator	--	--	--	204.76
Brazilian Naturals				
US	131.12	127.33	125.07	162
Europe	--	--	--	175.6
Group Indicator	--	--	--	172.07
Robusta				
US	92.62	91.51	82.33	106.83
Europe	--	--	--	100.19
Group Indicator	--	--	--	101.25

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(25-Jun-2015)	Week ago (18-Jun-15)	Month Ago (25-May-15)	Weekly Change (%)
Jul-15	133.35	128.70	124.05	3.61
Sep-15	135.10	131.95	126.85	2.39
Dec-15	138.70	135.70	130.75	2.21

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(25-Jun-2015)	Week ago (18-Jun-15)	Month Ago (25-May-15)	Weekly Change (%)
Jul-15	1884	1888	1575	-0.21
Sep-15	1799	1780	1600	1.07
Nov-15	1808	1791	1621	0.95

USD/T

International Coffee Prices

	25.6.2015	18.6.2015	25.5.2015	25.6.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	38650	37550	35100	39750
Vietnam FOB (2-5 pct)* (Saigon port)	1846	1805	1715	1947
Indonesian FOB (4-80 defects)** (Lampung Port)	1910	1860	1865	2015

***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 illustrates a gain in the market.
- Falling 14 days EMI hints further down trend in the market.
- Falling volume indicates bearish phase of the market.
- RSI is also down at 43.16 compared to last week movement at 38.97 indicating weak tone in the next week.
- Falling trend-line shows continue declining phase of the market breaking the highest level i.e. 220 as on 10th October 2014.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	122-139

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
114.24	121.54	133.35	140.02	149.75

US cents/Ib

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

Weekly Technical Outlook:-

- Candlestick chart shows upside momentum in the market.
- Relatively, 14-days EMI is moving higher at 1773 from 1758of last week, indicating further gain in the market.
- RSI is up at 55.54 in neutral region against 55.27 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	1795-1940

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1613	1793	1890	1943	2012

USD/T