Highlights of the Week

Coffee prices in Karnataka physical market this week ,finished in weak tone as on 3rd July 2015on the back of sluggish demand against higher supplies**.** Lower rainfall of this week may be beneficial for Arabica coffee beans which will shortly move towards maturity stage. in the long run, higher crop estimates for 2015/16 will keep pressure on the coffee prices. Starbucks Corp. is going to raise prices once again ranging from 5 to 20 cents for most affected drinks i.e. brewed coffee.

In view of Indian Traders, Indian coffee exports generated revenue of US $ 798.49 mln for the season 2013-14. India exports to 45 countries. 50 % of exports are to European countries out of which Italy is the largest market taking 25% of exports followed by Germany, Belgium, Turkey and Russian federation. Late monsoons reached in the biggest coffee growing area in Karnataka. In Coorg, the main coffee growing area of Karnataka, coffee growers have experienced dropping of Robusta coffee bean prematurely due to heavy rains in the last two weeks of June, wherein the record crop estimation by Coffee board for the 2015-16 crop of 355.600 lakh tons may be affected. Starbucks the Coffee Giant based in Seattle is to increase prices of most affected coffee drinks from 5-20 cents, which will revolve to 2.45$ in the US for large coffee cup.

As per the Coffee Board of India, provisional Indian green coffee exports is registered significantly down by 6.26% to 145838 metric tons from 1st January 2015 to 7th July 2015 as compared to 155584 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 33.81% at 14003 metric tons in this year between 1st January 2015 to 7th July 2015 from preceding year instant coffee volume i.e. 21157 metric tons. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 38.12% to 23864, 20.57% to 7989 metric tons respectively against last year exports volume i.e. 38569 metric tons, 10059 metric tons respectively in the same period of time due to lower demand as Arabica crops in 2014 suffered with diseases.

As per the Cecafe Export Association, Brazil's green coffee exports is registered lower at 2.29 million 60 kg bags in June 2015 against 2.62 million bags in May 2015.Combined exports of the 2014-15(July-June) stood at 32.99 million bags of green coffee compared to30.6 million bags a year earlier.

As per government trader data, Robusta coffee bean exports in Sumatra, one of the main growing areas of Indonesia significantly increased by 22.13% to 21890.73 tonnes in June 2015 against 17924.02 tonnes in June 2014 supported by a weak Rupiah currency and larger crop size in this season. Further, it is expected to export higher quantity of Robusta beans at the end of July 2015 due to less supplies from Vietnam as farmers are holding their crops in expectation of good prices. Farmers in Indonesia are likely to harvest coffee around 11 million 60 kg bags in 2015-16 against 8.5 million bags in previous year. Coffee harvest of Indonesia is in full swing now.

Exports and Imports of India

Below table shows Indian Coffee Imports volume details in 2015:-

COFFEE BOARD : BANGALORE					
COUNTRY WISE EXPORT OF COFFEE DURING (01/01/2015 to 03/07/2015)					
[BOTH INDIAN AND RE-EXPORTED COFFEEE] [PROVISIONAL AND BASED ON EXPORT PERMITS					
[PROVISIONAL AND BASED ON EXPORT PERMITS]					
NAME OF THE COUNTRY	ARABICA	ROBUSTA	INSTANT (GBE)	ROASTED (GBE)	Total
ITALY	8625.260	37717.000	278.460	169.930	46790.650
GERMANY	2205.470	15425.580	693.870	0.000	18324.920
RUSSIAN FEDERATION	435.200	789.800	9969.525	0.000	11194.525
BELGIUM	4052.800	5580.300	145.080	0.061	9778.241
TURKEY	30.000	126.700	9285.653	0.000	9442.353
JORDAN	4158.000	1674.900	0.000	0.000	5832.900
SLOVENIA	0.000	4981.440	0.000	0.000	4981.440
U.S.A.	578.670	898.200	2633.223	183.691	4293.784
AUSTRALIA	1162.882	2244.720	536.110	5.302	3949.014
KUWAIT	2455.258	1266.100	19.447	2.963	3743.768
OTHERS	7976.334	27363.910	27368.334	57.238	62765.816
TOTAL	**31679.874**	**98068.650**	**50929.702**	**419.185**	**181097.411**

Below table shows Indian coffee exporters details of the current year:-

COFFEE BOARD : BANGALORE					
EXPORTER WISE EXPORT OF COFFEE DURING 01/01/2015 to 30/07/2015					
[PROVISIONAL AND BASED ON EXPORT PERMITS]					
NAME OF EXPORTER	ARABICA	ROBUSTA	INSTANT (GBE)	Roasted (GBE)	Total
CCL PRODUCTS (INDIA)LTD.,	0.000	0.000	21719.218	0.000	21719.218
ALLANASONS Private Limited	5822.160	8296.620	0.000	0.000	14118.780
RUCHI SOYA INDUSTRIES LIMITED	1760.400	11804.500	0.000	0.000	13564.900
Olam Agro India Private Limited	2925.600	10558.200	0.000	0.000	13483.800
NKG INDIA COFFEE PRIVATE LIMITED	2500.610	10910.310	0.000	0.000	13410.920
I.T.C.LIMITED	3405.510	9568.880	24.710	0.000	12999.100
TATA COFFEE LTD.,	957.600	2420.050	8295.739	0.425	11673.814
COFFEE DAY GLOBAL LIMITED	3685.740	7244.320	1.622	3.726	10935.408
NESTLE INDIA LIMITED	0.000	0.000	7311.302	0.000	7311.302
S.L.N. COFFEE PVT.LTD.	122.480	5149.640	1785.684	0.000	7057.804
OTHERS	10499.774	32116.130	11791.426	415.034	54822.364
TOTAL	**31679.874**	**98068.650**	**50929.701**	**419.185**	**181097.410**

Source: The Coffee Board Of India

Weather Updates

Current Status of Southwest monsoon 2015 and Forecast:

Weekly Rainfall:-During the week(02 June to 08 July 2015), rainfall was below normal by 51% over the country as a whole. Rainfall activity was less over Northwest India, Central India, South Peninsula, East & northeast India.
Details are given below:

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	30.1	61.4	-51%
Northwest India	27.1	37.9	-28%
Central India	17.2	70.4	-76%
South Peninsula	9.6	49.4	-81%
East & northeast India	88.3	102.2	-14%

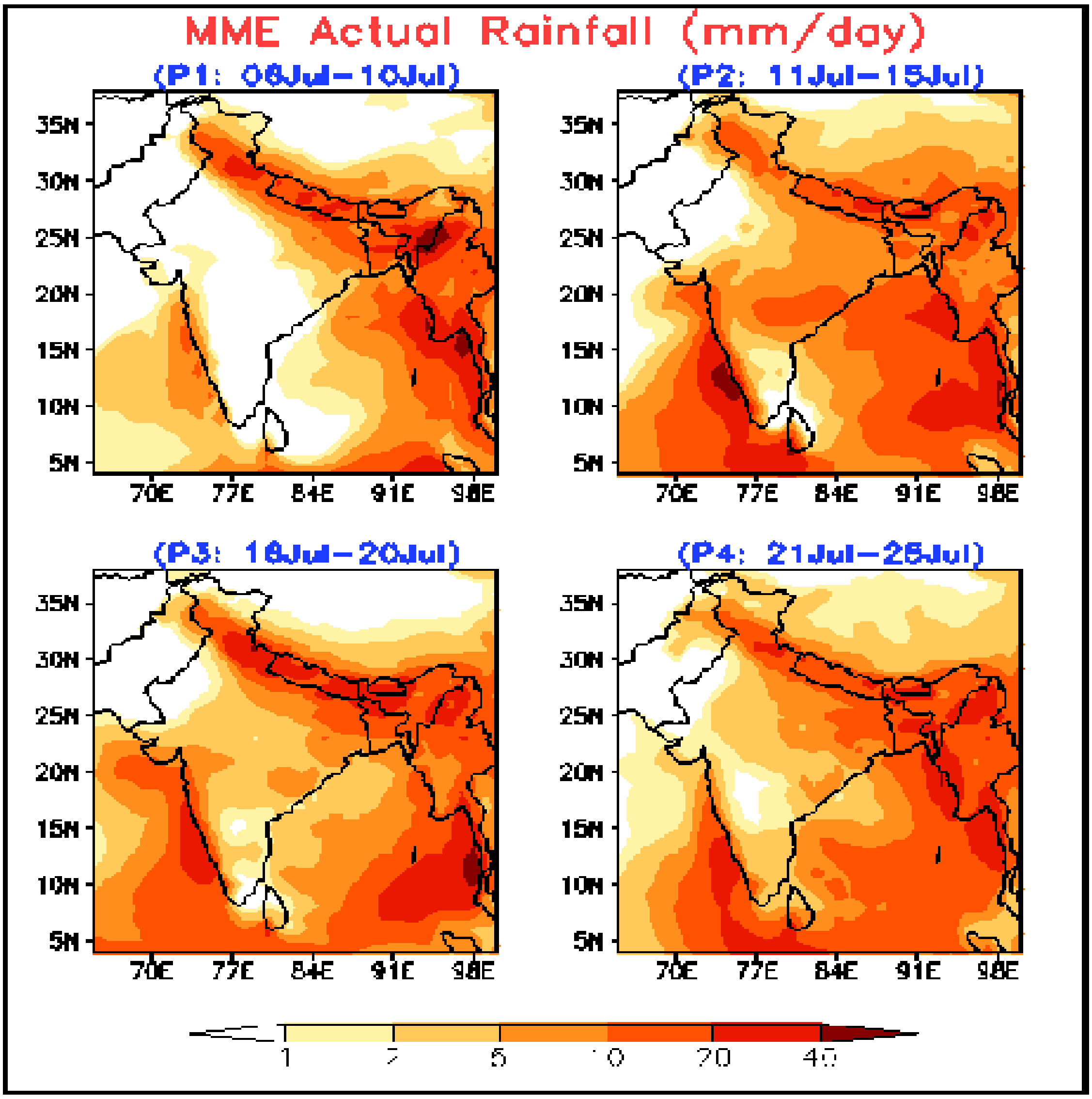
Source: IMD

Seasonal Rainfall:-Seasonal Rainfall Scenario (1st June to 08 July 2015) for the country as a whole, cumulative rainfall during this year's monsoon up to 08 July has been 04% below the Long Period Average (LPA). Rainfall activity was excess over central India and northwest India.
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	224.5	233.5	-4%
Northwest India	122.4	112.1	9%
Central India	224.7	243.8	-8%
South Peninsula	201.4	215.5	-7%
East & northeast India	449.4	467.6	-4%

Source: IMD

Below map shows Advance of Southwest Monsoon -2015:-



Source: IMD

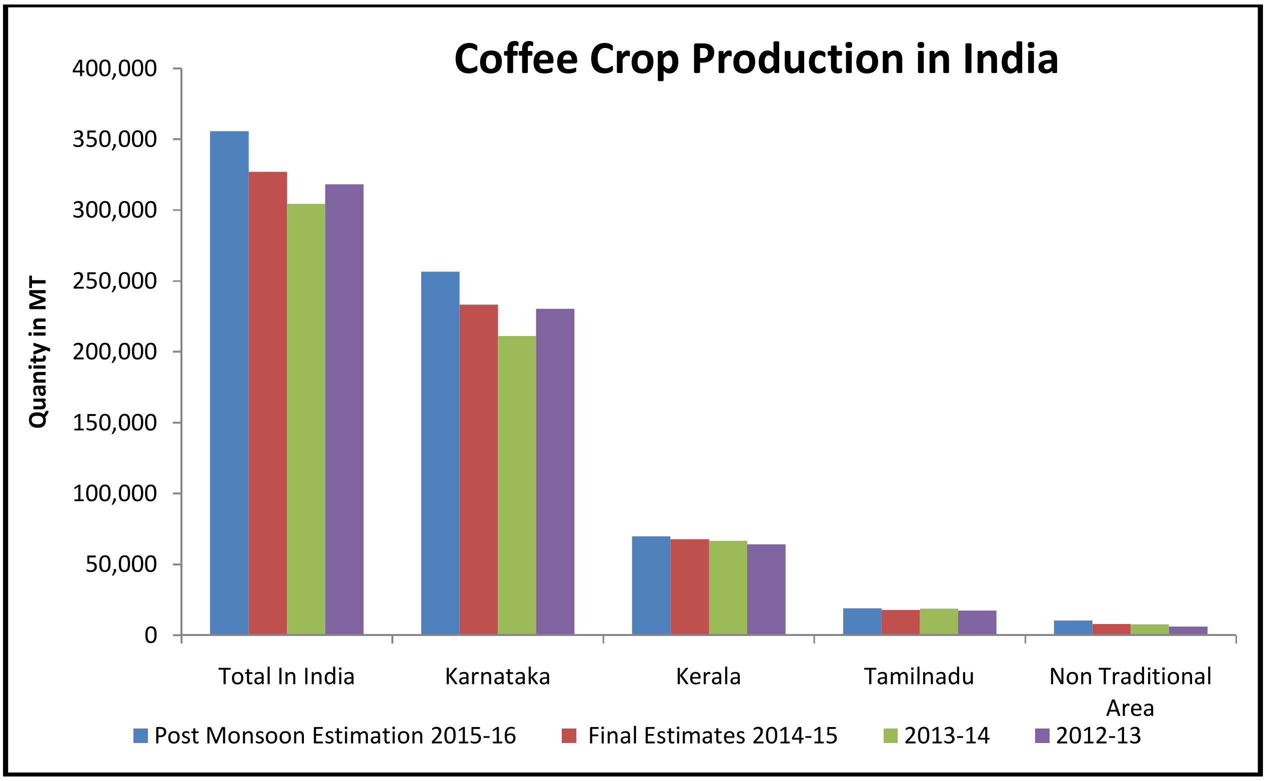
- Considerable decrease in rainfall activity over northwest, central and parts of Peninsular India during next 15 days.
- Rainfall activity may remain above normal over western India during 11-15 July and over northern plains during 16-20 July.
- The southwest monsoon was vigorous over northern parts of the country during some days of the week.

Domestic Crops Condition and Production

According to the Coffee Board of India, Post monsoon coffee estimates is placed at 355 lakh tonnes with an increase of 8.75% for 2015/16 season from 327 lakh tonne in expectation of good crop yield followed by good crop size estimates in Karnataka, Kerala and Tamilnadu i.e. 256 lakh tonnes, 69.80 lakh tonnes and 18.80 lakh tonnes respectively.

Below table shows coffee production estimates of India since 2012-13:-

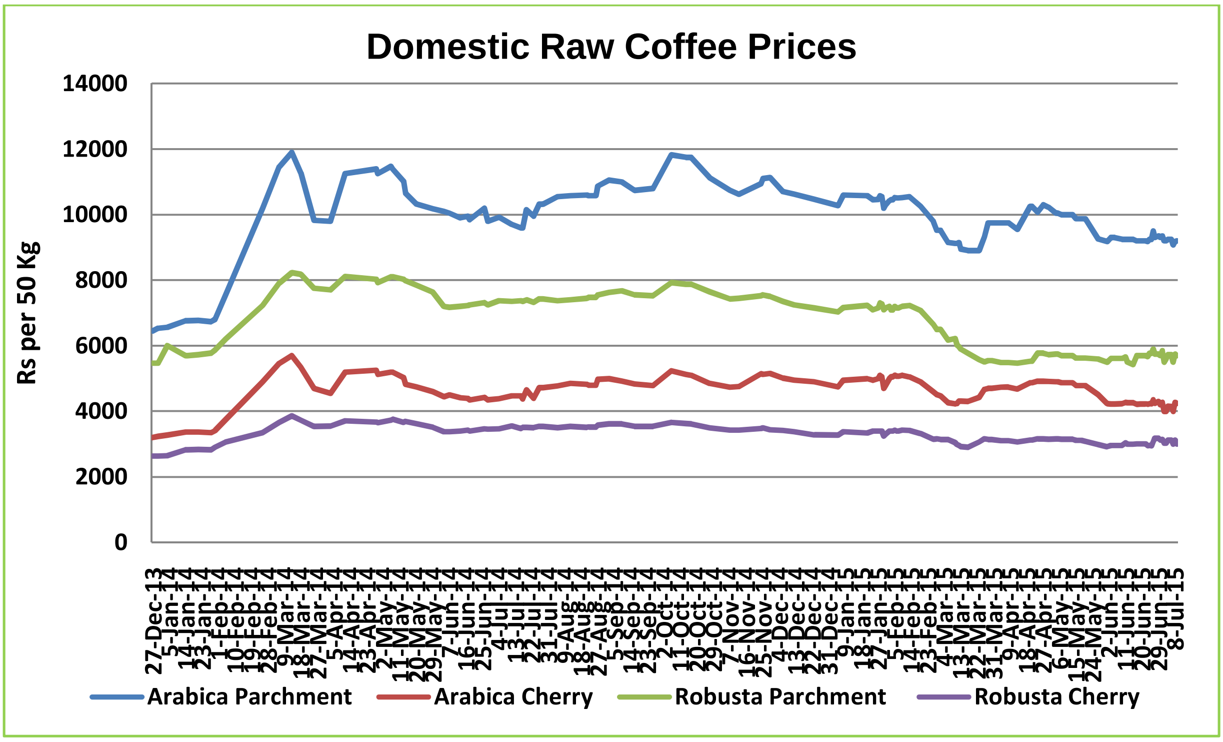
States	Post Monsoon Estimates 2015-16	Final Estimates 2014-15	2013-14	2012-13	%change
Total In India	355,600	327000	304500	318200	8.75
Karnataka	256,500	233,230	211,100	230,225	9.98
Kerala	69,800	67,700	66,675	64,200	3.10
Tamilnadu	18,800	17,875	18,775	17,370	5.17
Non Traditional Area	10,300	7,975	7,760	6,230	29.15
North Eastern Region	200	220	190	175	-9



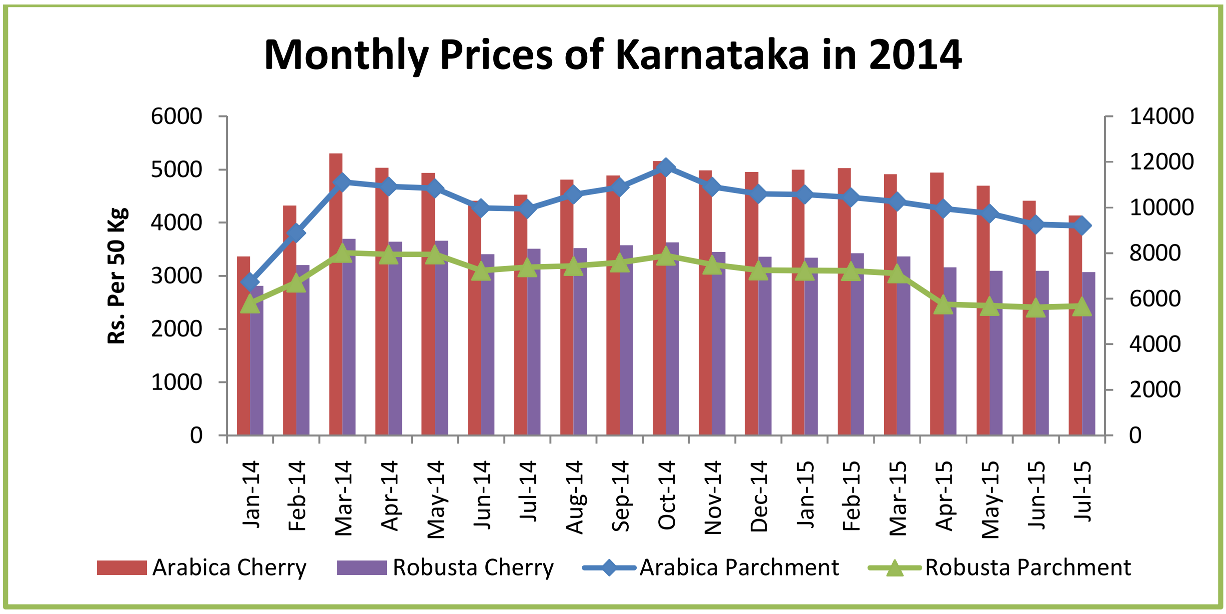
Source: The Coffee Board Of India

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	10.7.2015	3.7.2015	Change
Arabica Parchment	9100	9200	-100
Arabica Cherry	4250	4000	250
Robusta Parchment	5650	5600	50
Robusta Cherry	3050	3025	25

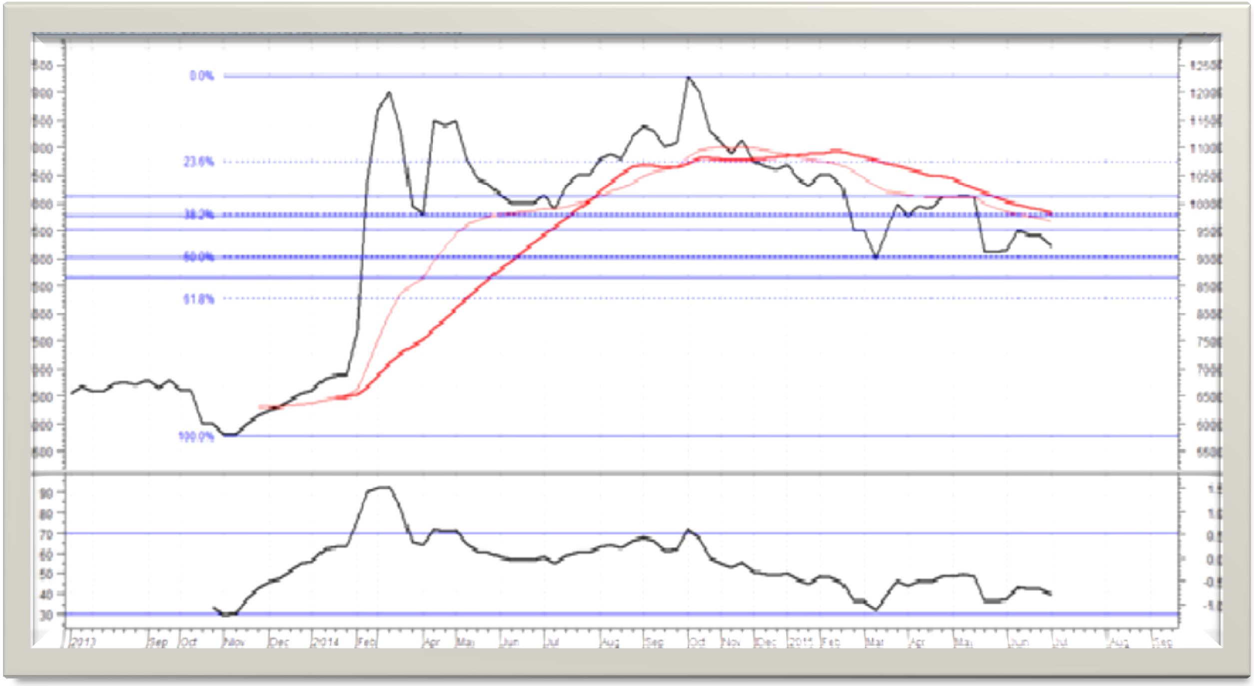
*** Values in Rs per 50 Kg**

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

Grade	02.7.2015 Arabica Plantation	25.6.2015 Arabica Plantation	Change	02.7.2015 Arabica Cherry	25.6.2015 Arabica Cherry	Change
MNEB	289	290	-1	--	--	-
AA	289.26	281	8.26	--	--	-
PB	232.4	240	-7.66	180	173.5	7
A	280.3	278	2.3	--	192	-
AB	--	--	-	--	180	-
B	187.26	193	-5.74	--	175	-
C	162	170	-8	--	136.56	-
BBB	139.5	154.5	-15	--	130	-
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	-	--	--	-
A	--	--	-	--	--	-
PB	--	140	-	122	--	-
AA	--	151	-	128	--	-
AB	--	142.5	-	125.26	--	-
B	--	--	-	--	--	-
C	--	130	-	120.5	--	-
BBB	114.76	--	-	116	--	-

Values in Rs. per kg

Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market



Weekly Technical Outlook:-

- Technical chart shows falling trend of the market on selling pressures.
- RSI moving up in neutral regionat 39.62 in this week , hints further upside momentum in next week.
- However, simple moving average supports falling zone of the market.
- Fibonacci retracement on down wave shows first support level at 9020 @ 50% in upcoming days.
- We expect furthersteady to down trend in the market in coming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	

Units in Rs./50 kg.

Expected Support and Resistance

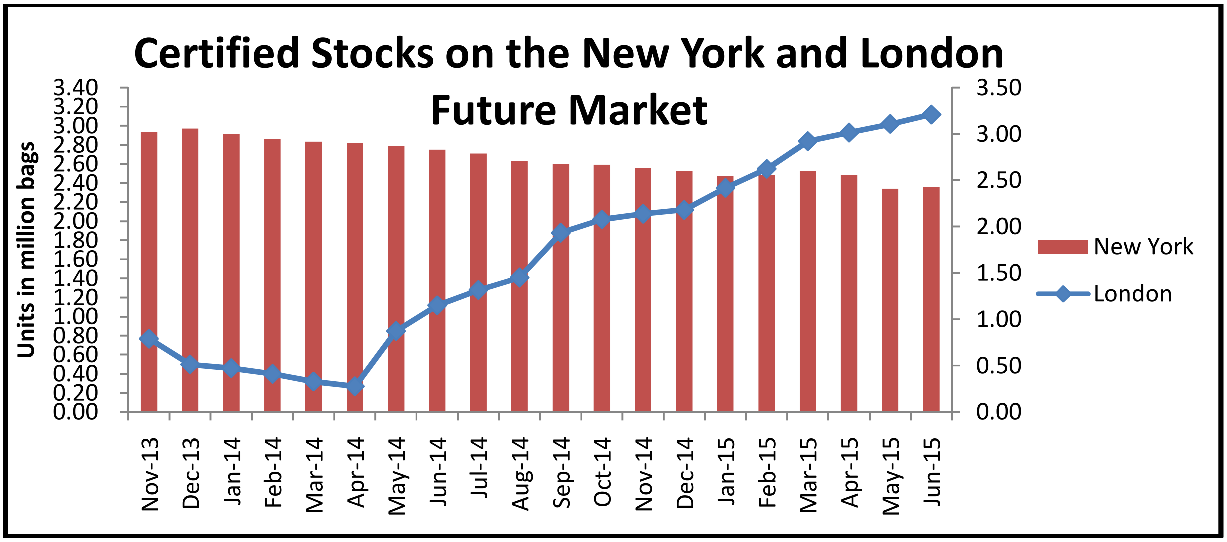
S2	S1	PCP	R1	R2
8648	9020	9200	9510	9765

Units in Rs./50 kg.

International Market Updates:

Weekly Future Review:-ICE Arabica coffee future prices of July contract slumped by 4.63% to 125.60 USC cents per Ib from 131.70 USC cents per Ib on lackluster demand. Weakness in Brazilian real currency against US dollar can spur producer and speculative selling in upcoming days. As per recent report, ICE Certified Arabica coffee stocks held in ICE-nominated warehouses increased by 1628 bags to 2157985 bags as on July 9,2015 from previous day volume. As per ICO, certified stocks of Arabica on the New York exchange went slightly up by 0.82% to 2.43 million bags in June month 2015 against May month record i.e. 2.41 million bags. Relatively, certified stocks of Robusta on the London exchange surged by 3.31% to 3.12 million bags in June 2015 from last month record.

Below table shows certified stocks details :-



Source:ICO

Brazil:-Farmers have completed around 21.9%of coffee harvesting in the region of cooperative Cooxupe as of July 3,2015 which is below 42.5% of last year record during the same period of time. In 2013, the harvest was around 31.5% during the corresponding period of time. As a whole, around 52% of the estimated 50.4 million bags crop harvesting inBrazil has been completed as on 7th July 2015 which is less than 55% of previous year harvesting pacesincesoutheast coffee belt of Brazil has been wet in early July 2015. On the other hand, total sale is recorded at 27% of harvested crop of this season.

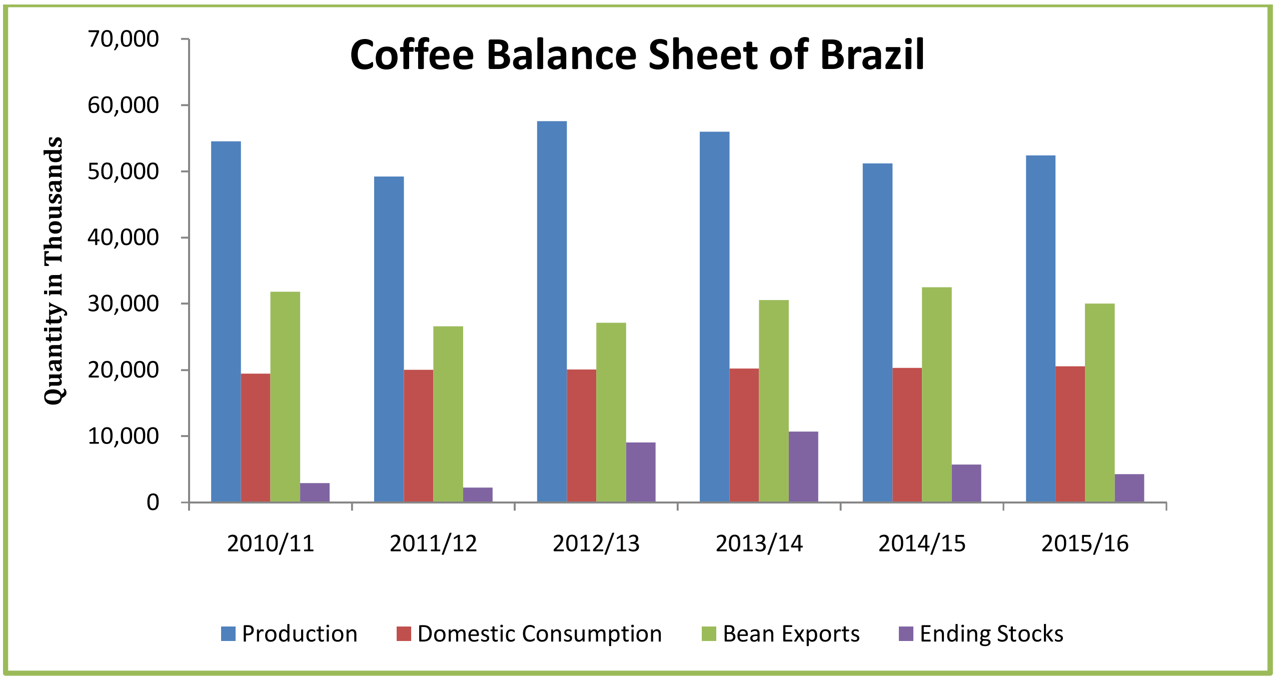
Vietnam:- In view of local traders, Vietnam may export coffee in a wide range between 80,000 tonnes and 130,000 tonnes in July 2015 depending on ICE Robusta future prices. Vietnam shipped total 110,000 tonnes in June 2015. Currently, farmers are not releasing their crops at the current market prices.

Colombia:- As per Fedecafe, washed Arabica coffee output of Colombia stood at 1.24 million 60 kg bags in June 2015 which is higher by 31% as against last year output.Credit goes to replanting methods. Growers responded with a large scale replanting programme, where infected trees were ripped up and replacedwith rust-resistant varieties. USDA forecasts, total output of Colombia at 13.0 million bags for 2015/16 season.

Global Coffee Exports

As per USDA released data, Brazil is likely to produce coffee beans higher by 2.34% to 52.40 million bags in 2015/16 season from last year record production i.e. 51.20 million bags. Domestic consumption of Brazil is also forecasted up by 1.22% to 20.58 million bags in 2015/16 as compared to previous season. Coffee bean exports and ending stocks are placed down by 7.69% to 30 million bags and 25.49% to 0.42 million bags respectively against last year.

Below chart shows Balance sheet of Coffee in Brazil:-



Source:USDA

Coffee Balance sheet of Brazil						
	2010/11	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**
Production	54,500	49,200	57,600	56,000	51,200	52,400
DomesticConsumption	19,420	20,025	20,110	20,210	20,330	20,580
BeanExports	31,810	26,556	27,143	30,600	32,500	30,000
EndingStocks	2,906	2,238	9,068	10,746	5,757	4,289

Source:USDA

International Coffee Price Trend

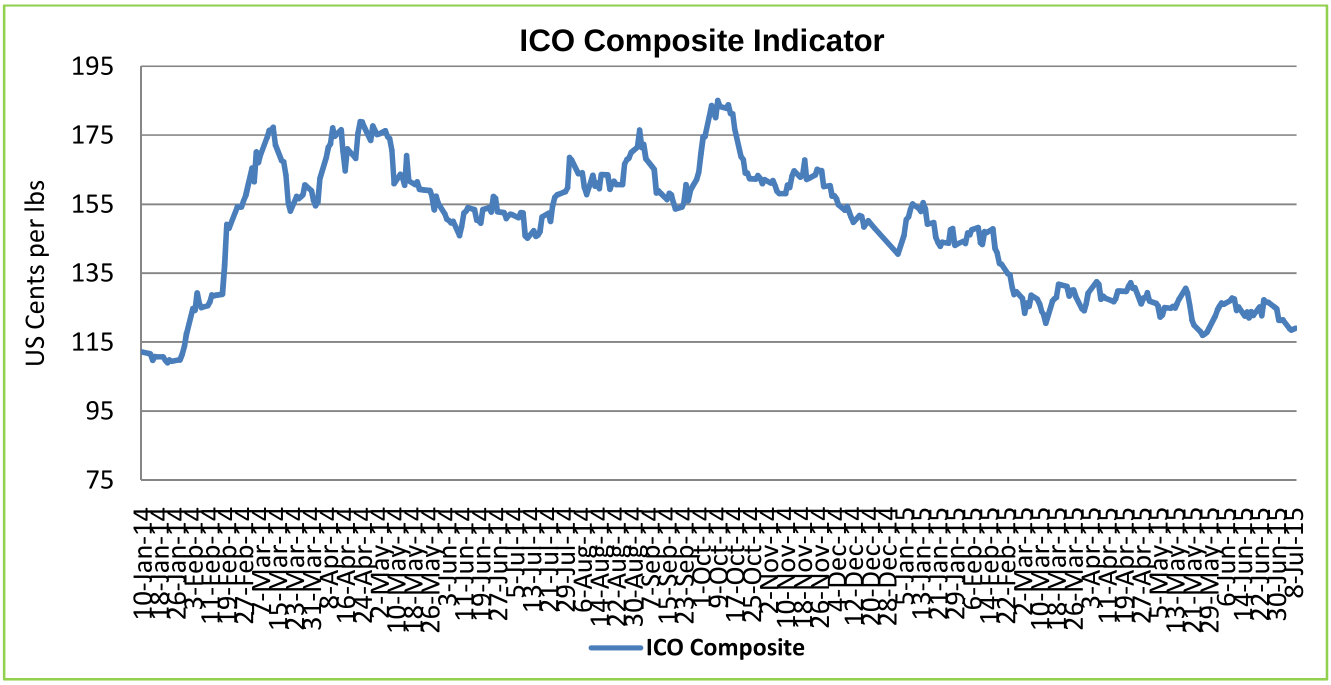
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**09.7.2015**	**2.7.2015**	**09.6.2015**	**09.7.2014**
ICO Composite Indicator	119.04	121.32	127.83	152.45
Colombian Milds				
US	143.15	146.11	157.77	195
Europe	--	--	--	192.55
Group Indicator	--	--	--	193.87
Other Milds				
US	152.42	155.02	163.88	199.5
Europe	--	--	--	194
Group Indicator	--	--	--	196.09
Brazilian Naturals				
US	121.26	124.72	135.87	154
Europe	--	--	--	167.18
Group Indicator	--	--	--	163.75
Robusta				
US	88.84	89.73	89.4	108.58
Europe	--	--	--	102.25
Group Indicator	--	--	--	103.26

	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**09.7.2015**	**2.7.2015**	**09.6.2015**	**09.7.2014**
ICO Composite Indicator	119.04	121.32	127.83	152.45
Colombian Milds				
US	143.15	146.11	157.77	195
Europe	--	--	--	192.55
Group Indicator	--	--	--	193.87
Other Milds				
US	152.42	155.02	163.88	199.5
Europe	--	--	--	194
Group Indicator	--	--	--	196.09
Brazilian Naturals				
US	121.26	124.72	135.87	154
Europe	--	--	--	167.18
Group Indicator	--	--	--	163.75

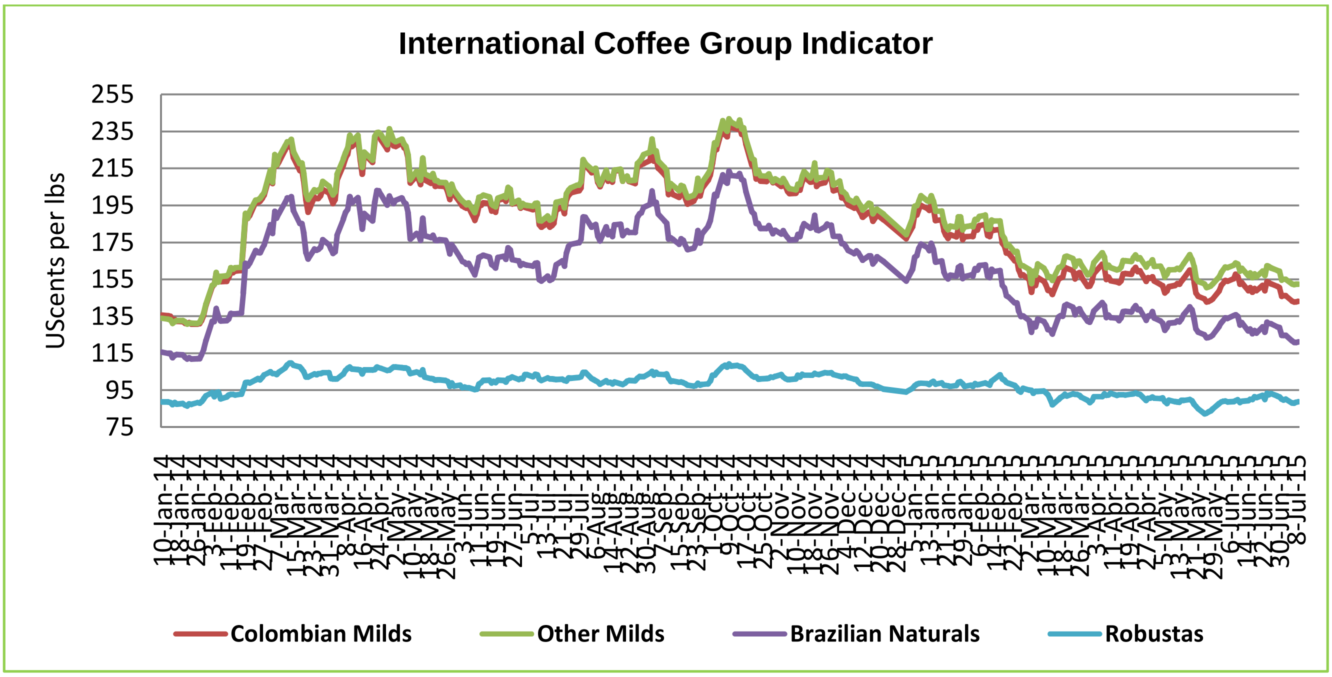
Robusta				
US	88.84	89.73	89.4	108.58
Europe	--	--	--	102.25
Group Indicator	--	--	--	103.26

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(9-July-2015)**	**Week ago (2-July-2015)**	**Month Ago (9-July-2014)**	**Weekly Change (%)**
Jul-15	122.75	125.6	170.2	**-2.27**
Sep-15	125.25	127.4	172.9	**-1.69**
Dec-15	128.75	131.15	176.45	**-1.83**

Liffe Robusta Coffee Futures Prices				
Contract Months	**Today(9-July-2015)**	**Week ago (2-July-2015)**	**Month Ago (9-July-2014)**	**Weekly Change (%)**
Jul-15	1855	1875	2058	**-1.07**
Sep-15	1728	1745	2056	**-0.97**
Nov-15	1742	1758	2042	**-0.91**

USD/T

International Coffee Prices

	9.7.2015	2.7.2015	9.6.2015	9.7.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	36900	37550	37200	40500

Vietnam FOB (2-5 pct)* (Saigon port)	1775	1810	1815	2008
Indonesian FOB (4-80 defects)** (Lampung Port)	1860	1890	1860	2040

***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 (July'15 Contract)at ICE Future

Weekly Technical Outlook:-

- Candlestick chart shows a sluggish phase of the market.
- Falling 14 days EMI hints further down trend in the market.
- Fallingvolume indicates bearish phase of the market.
- However, RSI is up at 37.80 compared to last week movement at 33.99 indicating strong tone in the next week.
- Falling trendline hints to a continued falling trend in the market

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	114-135

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
108.29	113.60	123.15	136.96	145.98

US cents/Ib

Technical Analysis of Coffee Future (July 2015 Contract) at LIFFE

Weekly Technical Outlook:-

- Candlestick chart depicts continue decreasing phase of the market.
- While, 14-days EMI is moving higher at 1798 from 1788of last week, indicating further gain in the market.
- RSI is up at 53.12 in neutral region against 52.36of 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	1759-1965

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1738	1791	1865	1941	1979

USD/T