Highlights of the Week

Coffee prices in Karnataka physical market this week ,went upon improved demand as on 17th July 2015.Indian coffee standing crops are moving from flowering to maturity stage. In the long run, higher crop estimates for 2015/16 will keep the pressure on coffee prices.

As per DGCIS latest report, India received around Rs. 503.98 crore as the total coffee exports revenue which is 78.92 million in USD in June 2015. This is higher by 20.03% in Rs. and 12.26% in USD respectively against Rs. 419.88 crore and USD 70.30 million respectively in previous year during the same month. It stood at Rs. 1558.55 crore and the value in USD at 245.48 million since April-2014 to June 2015 up by 11.41% in Rs. and 4.95% in USD against the last year revenue i.e. Rs.1398.87 crore and in USD 233.91 million in corresponding period of time.

The coffee in India for the season 2014-15 was picked during December-2014 & Feb-2015 and simultaneously exported and consumed internally. Since the market for Arabica fetched a good price most coffee were sold earlier and around 15% of Arabica and Robusta put together would be available with the growers and exporters in stock. The coffee for the season 2015-16 of Arabica and Robusta have flowered during February(Robusta) and April-May (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. Traders expect 5 to 6% fall in Indian coffee exports during 2015-16 season.

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 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 replaced with rust-resistant varieties. USDA forecasts, total output of Colombia at 13.0 million bags for 2015/16 season.

Brazilian Estimates:- In view of Commerzbank, Brazil is likely to produce coffee in the range of 49 to 52 million bags in 2014-15,while, USDA expects highest crop size at 52.4 million bags in expectation of a very strong recovery. On the other hand, National Coffee Council forecasts at 43.3 million bags in 2014-15.

Exports and Imports of India

As per the Coffee Board of India, provisional Indian green coffee exports is registered significantly down by 5.62% to 151858 metric tons from 1st January 2015 to 15th July 2015 as compared to 160913 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 37.48% at 14623 metric tons in this year during 1st January 2015 to 15 July 2015 from preceding year instant coffee volume i.e. 23390 metric tons. Total provisional exports of Arabica parchment, Arabica cherry is placed down by 37.56% to 24357, 23.41% to 8037 metric tons respectively against last year exports volume i.e. 39011 metric tons, 10494 metric tons respectively in the same period of time due to lower demand as Arabica crops in 2014 suffered with diseases.

Below table shows Coffee Exports Volume details of India:-

Export update: From 01st January 2015 to 15th July 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)	24357	8037	22890	81760	16	174	14623	151858
2	Provisional exports corresponding period last year	39011	10494	14604	73230	37	147	23390	160913
3	Provisional re-exports	0	0	0	0	119	131	38358	38607
4	Provisional re-exports corresponding period last year	0	0	0	0	0	0	31085	31085
5	Total provisional exports (1+3)	**24357**	**8037**	**22890**	**81760**	**135**	**305**	**52980**	**190465**
6	Total provisional exports corresponding period last year (2+4)	**39011**	**10494**	**14604**	**73230**	**37**	**147**	**54475**	**191998**

Source: The Coffee Board Of India

Weather Updates

Current Status of Southwest monsoon 2015 and Forecast:

Weekly Rainfall(09 July to 15 July 2015):-During the week(09 July to 15 July 2015), rainfall was below normal by 14% over the country as a whole. Rainfall activity was less over 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	56.2	65.4	-14%
Northwest India	66.2	51.7	28%
Central India	48.2	70.9	-32%
South Peninsula	28.6	46.7	-39%
East & northeast India	88	103.4	-15%

Source:IMD

Monthly Rainfall(01 July to 15 July 2015):-Seasonal Rainfall Scenario (1st June to 15 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.

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	91.4	135.3	-32%
Northwest India	98.1	94.4	4%
Central India	69.6	150.4	-54%
South Peninsula	41	103.3	-60%
East & northeast India	187	221.1	-15%

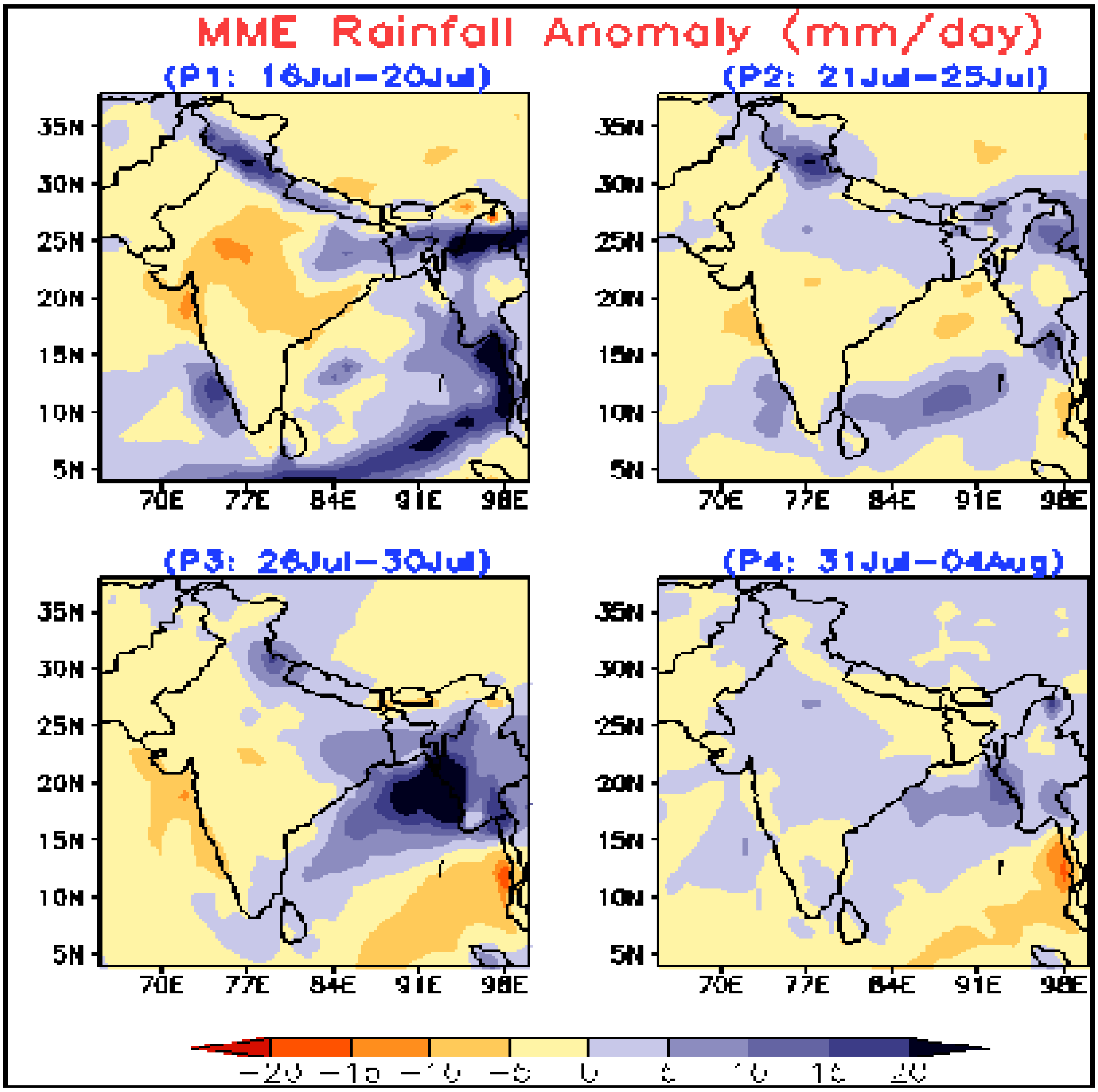
Source:IMD

Seasonal Rainfall(01 June to 15 July,2015):-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 06% below the Long Period Average (LPA). Rainfall activity was excess over northwest India.

Regions	Actual Rainfall (mm)	Normal Rainfall (mm)	% Departure from LPA
Country as a whole	280.8	298.9	-6%
Northwest India	188.7	163.8	15%
Central India	272.9	314.7	-13%
South Peninsula	230	262.2	-12%
East & northeast India	537.8	571	-6%

Source:IMD

Below map shows Advance of Southwest Monsoon -2015:-



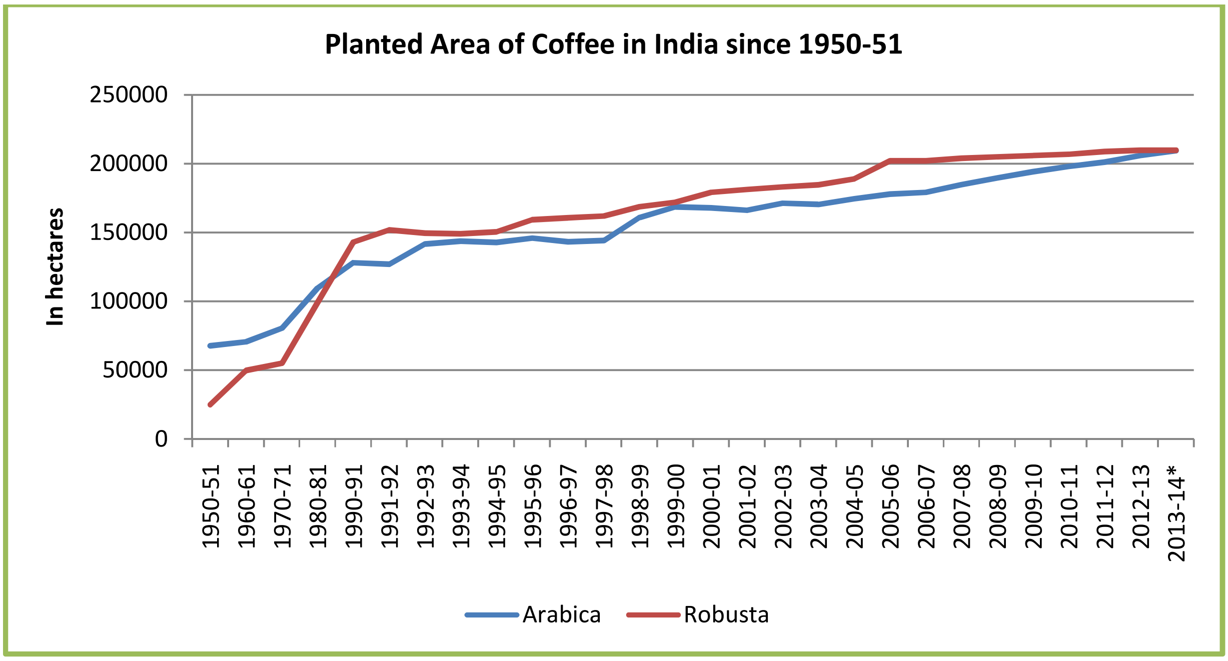
Source: IMD

- Rainfall activity may remain above normal over western India during 11-15 July and over northern plains during 16-20 July.
- Rainfall activity is likely to be above normal over northern parts of the country till 30 July.
- It is likely to be above normal over eastern and northeastern parts of the country on many days till 30 July.
- Rainfall activity likely to increase over central parts of the country in the beginning of August.

Domestic Crops Condition and Production

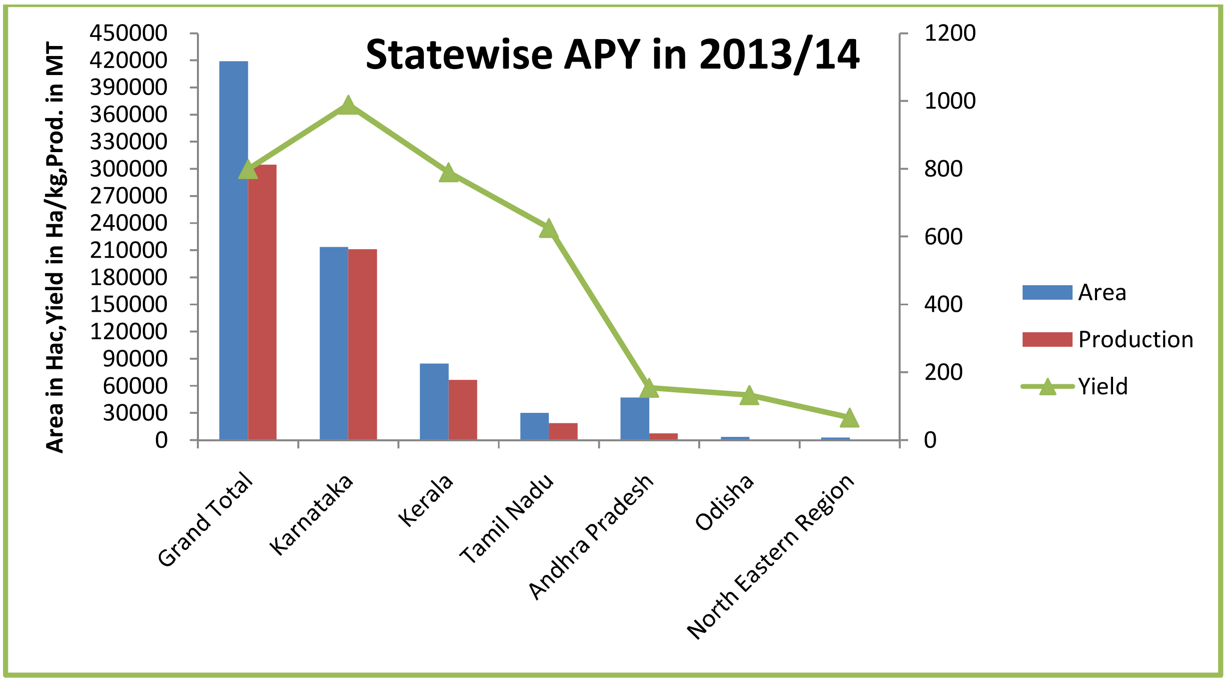
As per the Coffee Board Of India, India is covering continued higher planting area since 1950. Farmers in India planted total 418975 hectares in 2013/14 season which is higher than 415341 hectares in last season.

Below table shows planted area of Coffee in India since 1950-51:-



Source:ICO

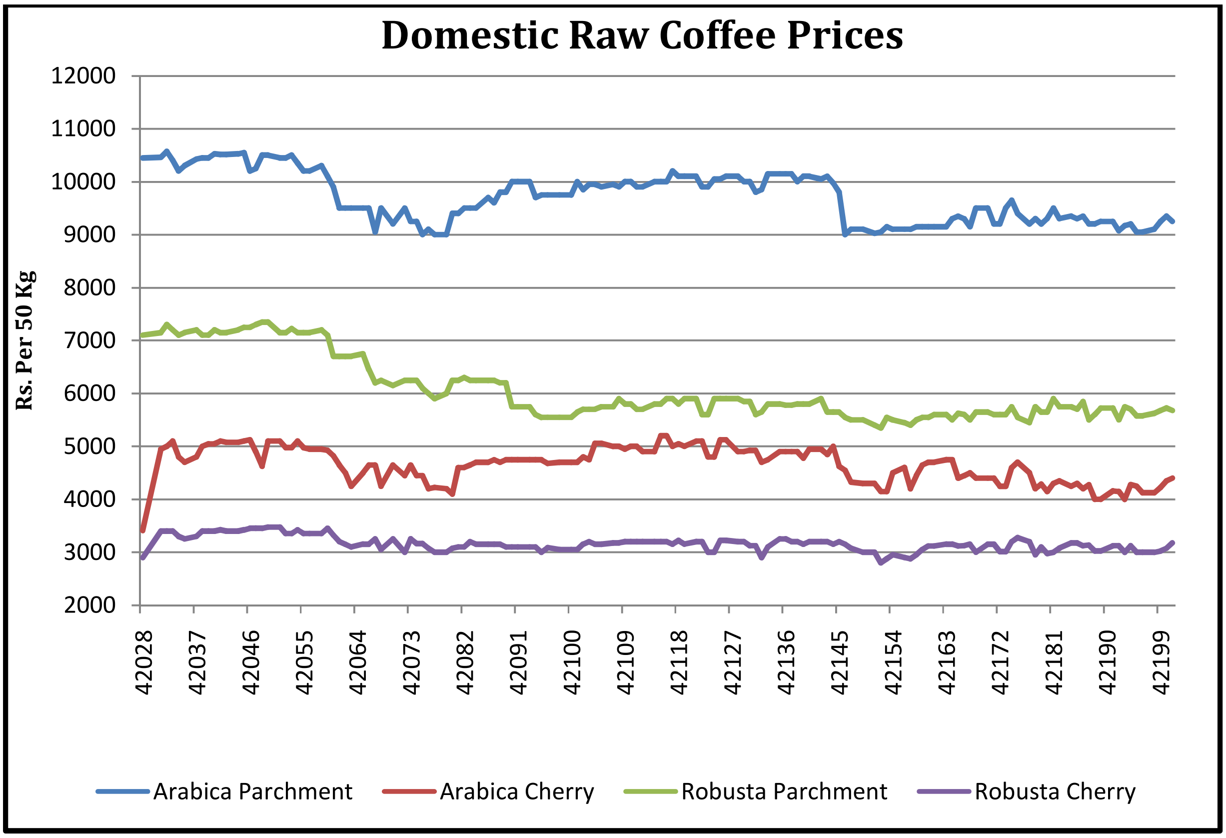
Below table shows State wise Area, Production and Yield in 2013-14:-



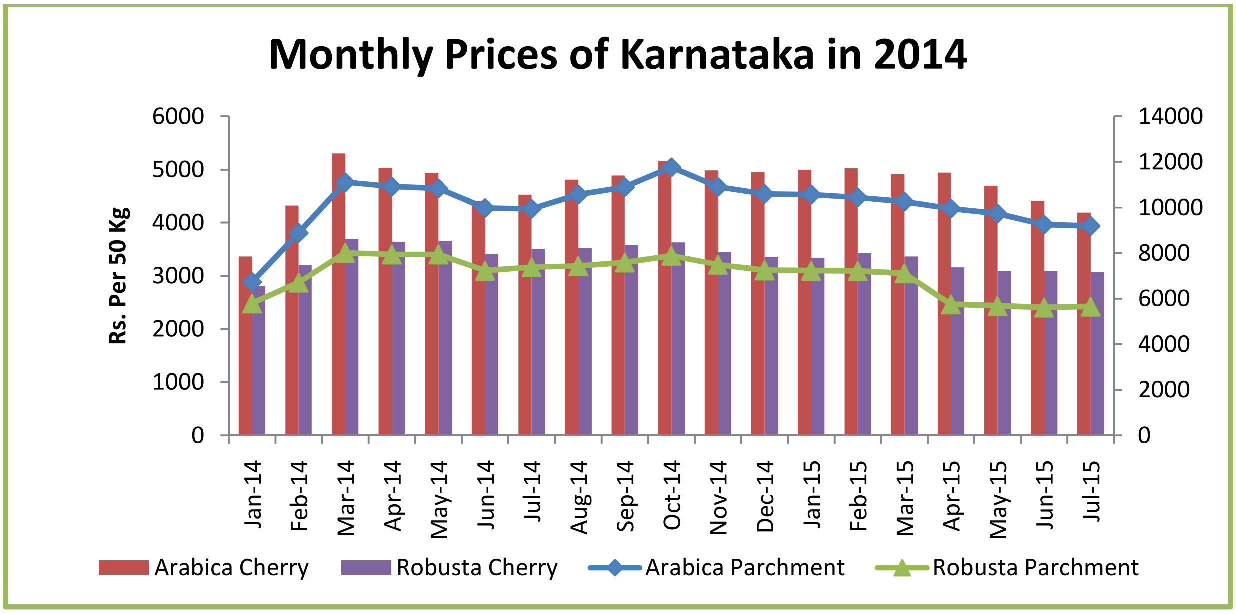
Source: ICO

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	17.7.2015	10.7.2015	Change
Arabica Parchment	9250	9100	150
Arabica Cherry	4300	4250	50
Robusta Parchment	5675	5650	25
Robusta Cherry	3100	3050	50

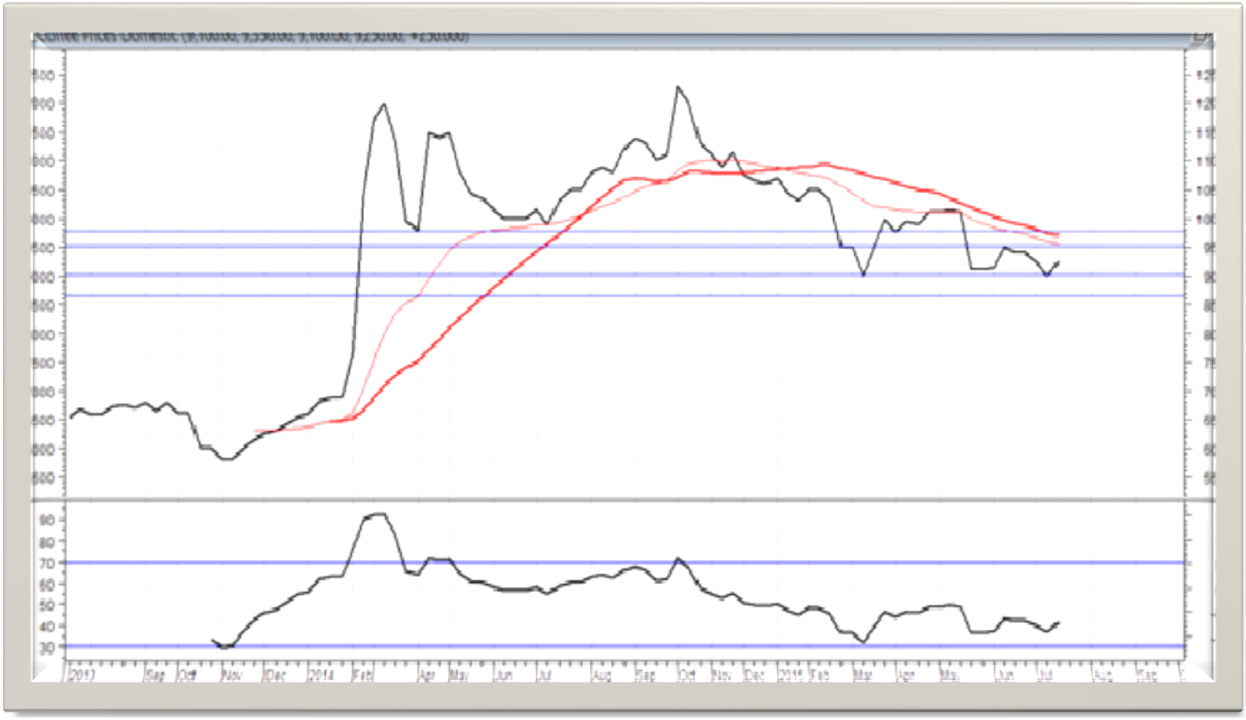
*** Values in Rs per 50 Kg**

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

Grade	09.7.2015 Arabica Plantation	02.7.2015 Arabica Plantation	Change	09.7.2015 Arabica Cherry	02.7.2015 Arabica Cherry	Change
MNEB	286	289	-3	--	--	-
AA	284	289.26	-5.26	215.1	--	-
PB	234	232.4	1.6	179.46	180	-0.54
A	281	280.3	0.7	212	--	-
AB	--	--	-	--	--	-
B	186	187.26	-1.26	--	--	-
C	160	162	-2	132	--	-
BBB	140.5	139.5	1	121	--	-
Grade	**Robusta Parchment**	**Robusta Parchment**		**Robusta Cherry**	**Robusta Cherry**	
RKR	--	--	-	--	--	-
A	--	--	-	132	--	-
PB	--	--	-	125	122	3
AA	--	--	-	137	128	9
AB	--	--	-	127	125.26	1.74
B	--	--	-	--	--	-
C	--	--	-	122	120.5	1.5
BBB	114.5	114.76	-0.26	113	116	-3

Values in Rs. per kg

Technical Analysis of Domestic Arabica Parchment Coffee at Karnataka Market



Weekly Technical Outlook:-

- Technical chart shows uptrend of the market on buying interests.
- RSI moving up in neutral region at 42.03in this week , hints further upward momentum in next week.
- However, simple moving average supports falling zone of the market.
- We expect further steady to uptrend in the market in coming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	9050-9500

Units in Rs./50 kg.

Expected Support and Resistance

S2	S1	PCP	R1	R2
8648	9020	9250	9510	9765

Units in Rs./50 kg.

International Market Updates:

Weekly Future Review:-ICE Arabica coffee future prices of July contract rose by 3.66% to 127.45 USC cents per Ib from 122.95 USC cents per Ib on lackluster demand. As per recent report, ICE Certified Arabica coffee stocks held in ICE-nominated warehouses increased by 765 bags to 2155120 bags as on July 16,2015 from previous day volume i.e. 2154355 bags. As per Green Coffee Association (GCA) U.S. green coffee stocks climbed by 220,664 bags to 5.5 million 60 kg bags by the end of June 2015 from last month.

Below table shows ICE Certified Arabica stocks details :-

COUNTRIES	ANTWERP	BARCELONA	HAMBURG /BREMEN	HOUSTON	MIAMI	NEW ORLEANS	NEW YORK	Total
Brazil	1007	0	1600	1960	0	0	13960	18527
Burundi	73676	0	70020	0	0	0	1594	145290
Colombia	40291	0	47968	13132	45896	275	227688	375250
Coasta Rica	250	0	0	0	0	0	0	250
El Salvador	8260	0	775	0	0	0	12390	21425
Guetmala	17244	0	450	25	0	0	6273	23992
Haunduras	398255	250	27650	27519	20984	2750	81677	559085
India	33552	0	2563	0	0	0	0	36115
Mexico	228991	0	5411	34367	0	250	93191	362210
Nicaragua	98928	0	0	0	0	0	2325	101253
Peru	210445	0	59292	7193	0	25	87699	364654
Rwanda	63873	0	17596	0	0	0	296	81765
Tanzania	1210	0	1437	0	0	0	578	3225
Uganda	27610	295	33324	0	0	0	850	62079
Total in Bags	1203592	545	268086	84196	66880	3300	528521	2155120

Source:-Reuters

Brazil:-Farmers have completed around 27.3 %of coffee harvesting in the region of cooperative Cooxupe as of July 15,2015 which is below last year record during the same period of time.

Vietnam:- As per Vietnam Customs report, total exports of Vietnam is registered at 104200 tonnes (1.74 million bags) of coffee in June 2015 with an decline of 1.2% against last month. In view of local traders, Vietnam may export coffee in a wide range between 70,000 tonnes and 120,000 tonnes in July 2015 while the government estimated it at 110,000 tonnes.

El Salvador:- As per the National Coffee Council CSC, El Salvador shipped60,990 kg bags of coffee beans in June 2015 , higher by 20% as against 50841 kg bags in June 2014 as coffee plantations recovered from the tree-killing roya fungus. Exports during the first nine months of the current 2014-15 harvesting season totaled 538,515 bags, up 17.8 percent from the same period during the 2013-14 season. El Salvador is one of Central America 's smaller coffee producers.

Global Coffee Exports

Below table shows Monthly export data for the last six months:-

Monthly export data for the last six months						
	Dec-14	**Jan-15**	**Feb-15**	**Mar-15**	**Apr-15**	**May-15**
TOTAL	**8303**	**8759**	**8574**	**10125**	**9700**	**9277**
Arabicas	5122	5455	5561	6161	6127	6049
ColombianMilds	*1164*	*1149*	*1151*	*930*	*1090*	*1120*
OtherMilds	*1211*	*1560*	*1953*	*2497*	*2326*	*2450*
BrazilianNaturals	*2746*	*2746*	*2458*	*2734*	*2710*	*2480*
Robustas	3182	3304	3013	3964	3573	3228

Source:ICO

Below table shows Monthly Imports data for the last six months:-

ImportsofcoffeebyselectedImportingcountriesOctober2014-March2015						
	Oct-14	**Nov-14**	**Dec-14**	**Jan-15**	**Feb-15**	**Mar-15**
Total	**10031**	**8950**	**8962**	**9333**	**8919**	**10367**
EuropeanUnion	6902	6243	5948	6306	6101	6755
Japan	582	570	568	743	590	588
Norway	56	62	48	69	58	65
Switzerland	267	218	198	197	220	253
Tunisia	38	38	38	44	35	36
Turkey	39	78	105	97	104	120
USA	2145	1741	2057	1878	1810	2550

Source:ICO

Below table shows Monthly Re-export data for the last six months:-

Re-exportsofcoffeebyselectedimportingcountriesOctober2014-March2015						
	Oct-14	**Nov-14**	**Dec-14**	**Jan-15**	**Feb-15**	**Mar-15**
Total	**3489**	**3305**	**3133**	**2960**	**3032**	**3406**
EuropeanUnion	2949	2854	2678	2598	2681	3009
Japan	12	10	14	6	6	8
Norway	1	1	1	1	1	1
Switzerland	170	152	142	125	131	136
Tunisia	0	0	0	0	0	0
Turkey	6	9	7	8	4	5
USA	352	280	292	222	209	247

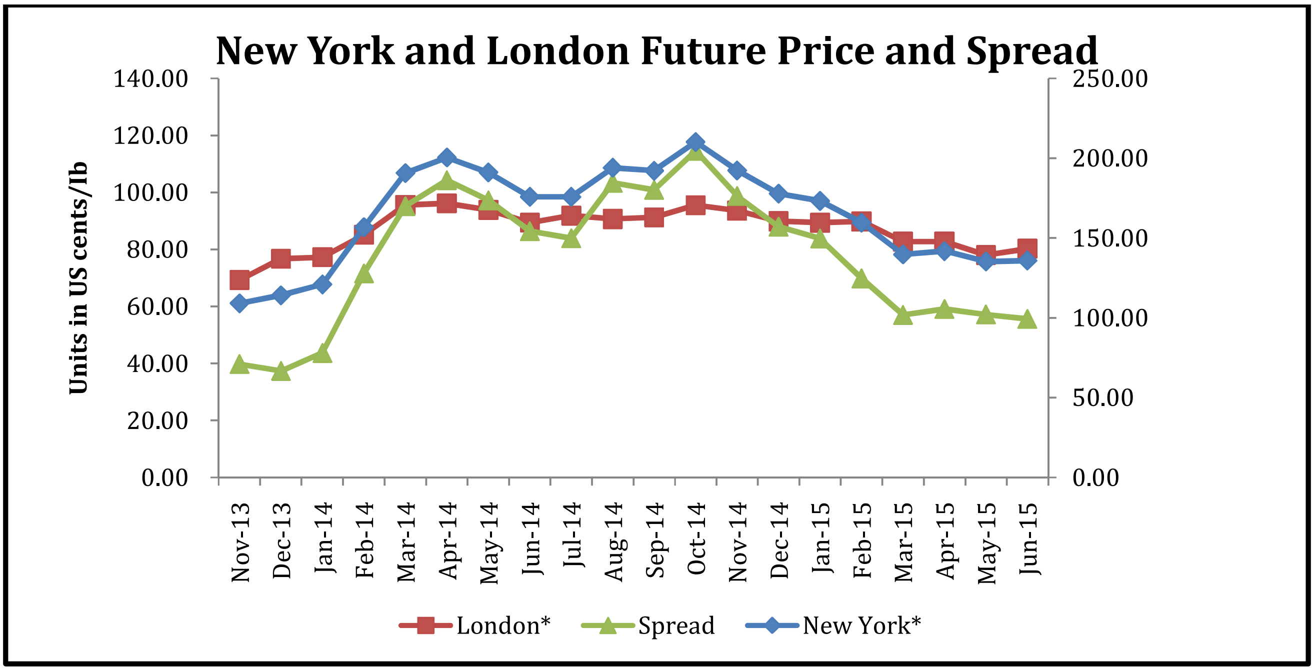
Source: ICO

International Coffee Price Trend

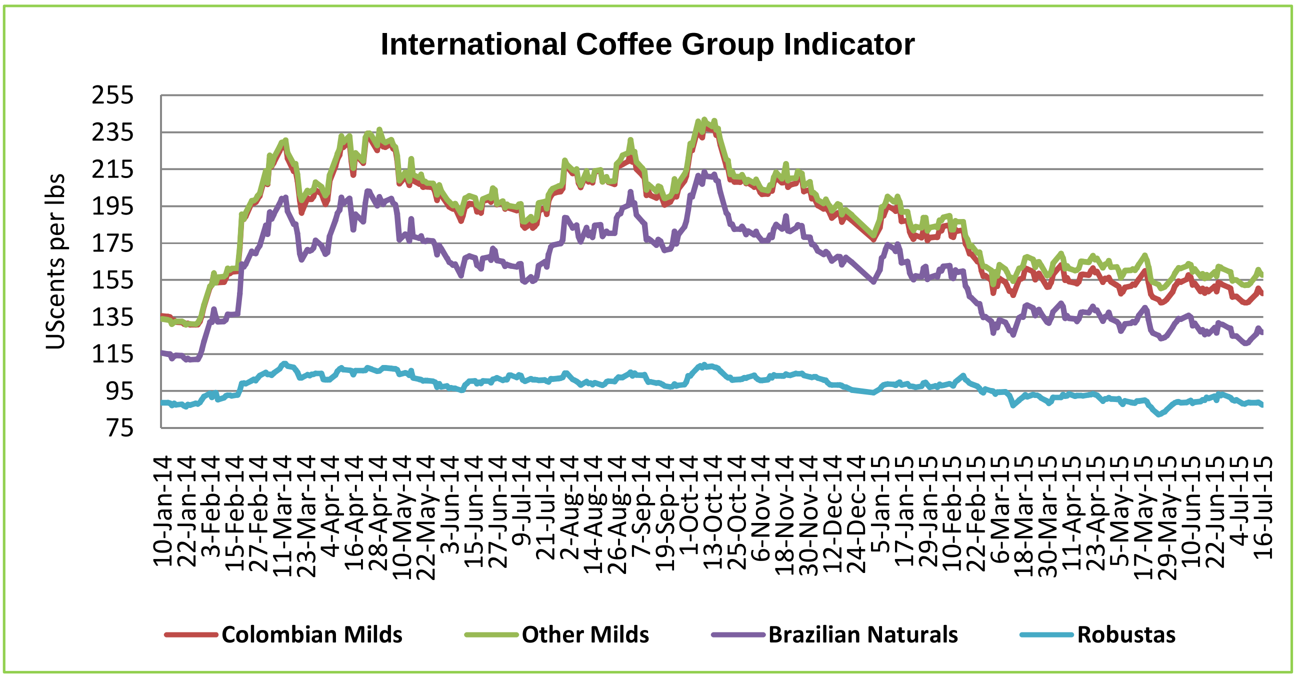
	As on	Week Ago	Month Ago	Year Ago
International Coffee Prices	**16.7.2015**	**09.7.2015**	**16.6.2015**	**16.7.2014**
ICO Composite Indicator	121.96	119.04	123.75	146
Colombian Milds				
US	145.75	143.15	149.00	184.5
Europe	150.38	--	152.27	183.27
Group Indicator	147.88	--	150.50	183.94
Other Milds				
US	155.69	152.42	158.69	188.5
Europe	158.91	--	158.36	186.97
Group Indicator	157.68	--	158.48	187.55
Brazilian Naturals				
US	114.75	121.26	116.00	143.5
Europe	130.97	--	132.29	159.02
Group Indicator	126.75	--	128.05	154.99
Robusta				
US	92.58	88.84	96.83	106.58
Europe	86.58	--	88.94	100.03
Group Indicator	87.54	--	90.20	101.08

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(16-July-2015)	Week ago (9-July-2015)	Month Ago (16-June-2015)	Weekly Change (%)
Jul-15	127.45	122.75	129.35	3.83
Sep-15	128.85	125.25	132.00	2.87
Dec-15	132.35	128.75	135.65	2.80

Liffe Robusta Coffee Futures Prices				
Contract Months	Today(16-July-2015)	Week ago (9-July-2015)	Month Ago (16-June-2015)	Weekly Change (%)
Jul-15	1836	1855	1755	-1.02
Sep-15	1705	1728	1734	-1.33
Nov-15	1716	1742	1750	-1.49

USD/T

International Coffee Prices

	16.7.2015	9.7.2015	16.6.2015	16.7.2014
Vietnam (Robusta Beans Spot) (Dong/Kg)	36700	36900	37400	39750
Vietnam FOB (2-5 pct)* (Saigon port)	1785	1775	1780	1978
Indonesian FOB (4-80 defects)** (Lampung Port)	1850	1860	1855	2015

*FOB Values are in USD/T

Weekly Auction Prices Of Kenya

Kenya Auction Prices			
Coffee Grade	Prices This Auction In (14/07/2015)	Average Prices In	Prices Last Auction In (07/07/2015)
Arabica AA	102-245	199.1	137-296
Arabica AB	81-209	181.65	88-277
Arabica C	79-195	165.3	99-212
Arabica PB	80-204	168.34	130-232
Arabica T	54-158	87.78	73-154
Arabica TT	89-191	162.53	101-209

Units in $ per 50 kg bags

Technical Analysis of Coffee Future (July'15 Contract)at ICE Future

Weekly Technical Outlook:-

- Candlestick chart shows upward trend in the market.
- Falling 14 days EMI hints further down trend in the market.
- Falling volume indicates bearish phase of the market.
- However, RSI is up at 41.24 compared to last week movement at 37.8 indicating strong tone in the next week.
- Fibonacci retracement level on down wave hints first resistance level at 134 @26.3% and second resistance level at 151.69@ 38.2% for upcoming days.

Expected Price Range During Coming Week

Expected Trend	Expected Trading Band
Range-bound to Bearish Momentum	122-133

US cents/Ib

Expected Support and Resistance

S2	S1	PCP	R1	R2
114.27	121.7	127.5	134	151.69

US cents/Ib

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

Weekly Technical Outlook:-

- Candlestick chart depicts continued down phase of the market despite strong trading activities.
- 14-days EMI is moving higher at 1801 from 1798 of last week, indicating further gain in the market.
- RSI is up at 51.11 in neutral region against 53.12 of last week hinting 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	1800-1927

USD/T

Expected Support and Resistance

S2	S1	PCP	R1	R2
1752	1796	1836	1928	1972

USD/T